

**FLORIDA HOUSING FINANCE CORPORATION**  
**Board Meeting**  
March 4, 2022  
Consent Items



**COMMUNITY DEVELOPMENT BLOCK GRANT – DISASTER RELIEF (CDBG-DR)**

*Consent*

**I. COMMUNITY DEVELOPMENT BLOCK GRANT – DISASTER RELIEF (CDBG-DR)**

**A. Request RFA Waiver Approval of Loan Closing Deadline Extension and Waiver of Extension Fees for Civitas of Cape Coral (2020-018BD)**

<b>Development Name: Civitas of Cape Coral</b>	<b>Location: Lee County</b>
<b>Applicant/Borrower: Pine Island Cape, LLC.</b>	<b>Set-Aside(s):</b> 40% @ 60% AMI (MMRN) 20.833% @ 30% AMI (CDBG-DR & 4%HC) 51.042% @ 60% AMI (CDBG-DR & 4%HC) 28.125% @ 80% AMI (Workforce, CDBG-DR & 4%HC)
<b>Developer/Principal: Catalyst Southwest Florida, LLC/Joseph Bonora, LCHA Developer, LLC/Lee County Housing Authority, and Revital Development Group, LLC/Michael Allan</b>	<b>Demographic/Number of Units:</b> Workforce / 96 units
<b>Requested Amounts (Development Funding):</b>  \$12,500,000 Multifamily Mortgage Revenue Note (MMRN)  \$5,633,218 Community Development Block Grant – Disaster Relief (CDBG-DR)  \$1,160,501 Annual Non-Competitive Housing Credits (4% HC)	<b>Development Category/Type:</b> New Construction/Garden Apartments

**1. Background/Present Situation**

- a) On July 30, 2019, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2019-102 for Community Development Block Grant – Disaster Recovery to be used in conjunction with Tax-Exempt MMRB and Non-Competitive Housing Credits in Counties Deemed Hurricane Recovery Priorities.
- b) On December 13, 2019, the Board approved the final scores and recommendations for the RFA and directed staff to proceed with all necessary credit underwriting activities.
- c) On April 17, 2020, the Board approved the Final Order resolving all pending litigation pertaining to the RFA, allowing staff to proceed with all necessary credit underwriting activities. Staff issued a preliminary commitment letter and invitation to enter credit underwriting to the Applicant on April 27, 2020. The Acceptance was acknowledged on May 1, 2020.
- d) On April 30, 2021, the Board approved the request to extend the firm loan commitment issuance deadline from May 1, 2020 to November 1, 2021.
- e) On August 23, 2021, staff received a final credit underwriting report with a positive recommendation for MMRN and CDBG-DR funding.

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- f) On September 10, 2021, the Board approved the authorization for the sale and issuance of a Multifamily Mortgage Revenue Note to finance this affordable housing Development within the State of Florida.
- g) On February 15, 2022, the Applicant requested a six-month loan closing extension from March 28, 2022 to September 28, 2022 citing a closing delay “due to rapidly increasing construction costs and interest rates” as well as waiving loan closing extension fees ([Exhibit A](#)). The Applicant also commits to the completion of the Development by the 2024 deadline.

### 2. **Recommendation**

- a) Approve the loan closing extension request from March 28, 2022 to September 28, 2022. Additionally, due to the funding source and nature of the CDBG-DR funds, approve the request to waive applicable extension fees.

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**B. Request RFA Waiver Approval of Loan Closing Deadline Extension and Waiver of Extension Fees for East Pointe Place Phase Two (2020-053D)**

<b>Development Name: East Pointe Place Phase Two</b>	<b>Location: Lee County</b>
<b>Applicant/Borrower: East Pointe Phase Two, LLC.</b>	<b>Set-Aside(s):</b> 15.55% @ 30% AMI (ELI) 12.22% @ 40% AMI (Workforce) 46.66% @ 60% AMI (Workforce) 25.55% @ 80% AMI (Workforce)
<b>Developer/Principals: East Pointe Phase Two Developer, LLC/RUDG, LLC/SWFAHCF East Pointe II, LLC/Alberto Milo, Jr.</b>	<b>Demographic/Number of Units: Disaster Relief/Workforce/90 units</b>
<b>Requested Amounts (Development Funding):</b>  <b>\$4,680,000 Community Development Block Grant – Disaster Relief (CDBG-DR)</b>  <b>\$1,119,312 Annual Non-Competitive Housing Credits (4% HC)</b>	<b>Development Category/Type: New Construction/Garden Apartments</b>

**1. Background/Present Situation**

- a) On July 30, 2019, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2019-102 for Community Development Block Grant – Disaster Recovery to be used in conjunction with Tax-Exempt MMRB and Non-Competitive Housing Credits in Counties Deemed Hurricane Recovery Priorities.
- b) On April 17, 2020, the Board approved the final scores and recommendations for the RFA and directed staff to proceed with all necessary credit underwriting activities for the thirteen (13) eligible Applicants.
- c) On April 23, 2020, staff issued a preliminary commitment letter. In accordance with the RFA, the Developer has an April 28, 2021 deadline to complete the credit underwriting report and be issued a firm loan commitment. Pursuant to the RFA the Applicants may request one extension of the deadline of up to six months.
- d) On March 12, 2021, the Board approved the extension of the first firm loan commitment deadline through October 28, 2021 and waiver of applicable CDBG-DR extension fees due to conditions created by the COVID-19 pandemic.
- e) On September 10, 2021, the Board approved the final credit underwriting report with a positive recommendation for a CDBG-DR loan in the amount of \$4,680,000 and Non-Competitive Housing Credits annually in the amount of \$1,119,312 and change in Developer Entity Structure.
- f) On February 17, 2022, the Applicant requested a three-month loan closing extension from March 14, 2022 to June 14, 2022. The request is submitted “in an abundance of caution” in anticipation of potential delays ([Exhibit B](#)).

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**2. Recommendation**

- a) Approve the loan closing extension request from March 14, 2022 to June 14, 2022. Additionally, due to the funding source and nature of the CDBG-DR funds, approve the request to waive applicable extension fees.

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*Consent*

**C. Request RFA Waiver Approval of Third Firm Loan Commitment Issuance Deadline and Waiver of CDBG-DR Extension Fees for Eleven44 (2020-008D)**

<b>Development Name: Eleven44</b>	<b>Location: Miami-Dade County</b>
<b>Applicant/Borrower: Housing Authority of the City of Miami Beach</b>	<b>Set-Aside(s): 90% @ 80% AMI (Workforce) 10% @ 28% AMI (ELI) 50% of ELI Units or 5% of Total Units (LINK)</b>
<b>Developer/Principal: Housing Authority of the City of Miami Beach</b>	<b>Demographic/Number of Units: Disaster Relief/Workforce/22 units</b>
<b>Requested Amounts (Development Funding):  \$3,299,999 Community Development Block Grant – Disaster Relief (CDBG-DR)</b>	<b>Development Category/Type: New Construction/Mid-Rise, 4 stories</b>

**1. Background/Present Situation**

- a) On July 30, 2019, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2019-103 for Community Development Block Grant – Disaster Recovery Financing to be used for Small Rental Developments in Areas Deemed Hurricane Recovery Priorities.
- b) On February 4, 2020, Florida Housing received a letter from Baxley Gardens, (Application Number 2020-012D) stating that due to higher-than-expected costs, it was not able to proceed with the proposed Development and it would be returning \$3,944,000 in CDBG-DR funding. This returned funding combined with the remaining balance of \$1,142,800, meant that there was \$5,086,800 of unallocated CDBG-DR funding.
- c) On March 6, 2020, the Board authorized Florida Housing to issue an invitation to credit underwriting to the highest-ranking Application that can be fully funded, using the selection criteria outlined in Section Five of the RFA.
- d) On March 23, 2020, staff issued a preliminary commitment letter. In accordance with the RFA, the Developer had a March 24, 2021 deadline to complete the credit underwriting report and be issued a firm loan commitment. Pursuant to the RFA, the Applicant may request one extension of the deadline of up to six months.
- e) On March 12, 2021, the Board approved the extension of the first firm loan commitment deadline through September 24, 2021 and waiver of applicable CDBG-DR extension fees due to conditions created by the COVID-19 pandemic.
- f) On September 10, 2021, the Board approved the extension of the second firm loan commitment deadline through March 24, 2022 and waiver of applicable CDBG-DR extension fees due to a significant delay in securing the required development approvals from the Miami Beach Historic Preservation Board for this project, as the project site is in the recently designated local historic district and the COVID-19 pandemic’s continuing impact on the construction industry increased costs.

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- g) On February 8, 2022, the Applicant requested a third six-month extension of the firm loan commitment deadline through September 23, 2022 and waiver of applicable CDBG-DR extension fees. The request is to 1) ‘ensure that all deadlines and requirements are met in case of unexpected delays’ and 2) address gap funding due to increased construction costs ([Exhibit C](#)). The Applicant also commits to the completion of the Development by the 2024 deadline.

**2. Recommendation**

- a) Approve the third request to allow an additional six months from March 24, 2022 to September 23, 2022, to complete the credit underwriting report and issue a firm loan commitment. Additionally, due to the funding source and nature of the CDBG-DR funds, approve the request to waive applicable extension fees.

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**D. Request Approval of Firm Loan Commitment Issuance Deadline Extension, Unit Reduction, and a Waiver of the Extension Fee for Key West Scattered Sites (2020-447D)**

<b>Development Name: Key West Scattered Sites</b>	<b>Location: Monroe County</b>
<b>Applicant/Borrower: The Housing Authority of the City of Key West, Florida</b>	<b>Set-Aside(s): 90% @ 80% AMI (Workforce) 10% @ 25% AMI (ELI) 50% of ELI Units or 5% of Total Units (LINK)</b>
<b>Developer/Principal: The Housing Authority of the City of Key West, Florida / Randy Sterling</b>	<b>Demographic/Number of Units: Disaster Relief/Workforce/5 units</b>
<b>Requested Amounts:  \$1,815,582 Community Development Block Grant – Disaster Relief (CDBG-DR)</b>	<b>Development Category/Type: New Construction/Single Family Homes</b>

**1. Background/Present Situation**

- a) On January 7, 2020, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2020-302 for Community Development Block Grant – Disaster Recovery in Monroe County.
- b) On April 17, 2020, the Board approved the final scores and recommendations for the RFA and directed staff to proceed with all necessary credit underwriting activities for the three (3) eligible Applicants.
- c) On April 23, 2020, staff issued a preliminary commitment letter. In accordance with the RFA, the Developers had an April 27, 2020 deadline to complete the credit underwriting report and be issued a firm loan commitment. Pursuant to the RFA the Applicants may request one extension of the deadline of up to six months.
- d) On February 1, 2021, staff received a request from the Applicant to extend the April 27, 2021 firm loan commitment deadline for six months until October 27, 2021 due to conditions created by the COVID-19 pandemic. They are also requested a waiver of the extension fee. The Board approved both requests at the March 12, 2021 Meeting.
- e) On June 22, 2021, the Applicant requested a second six-month firm loan commitment extension from October 27, 2021 to April 27, 2022. The extension was necessary to obtain additional local government financing to bridge a funding gap created by significant material cost increases. The Board approved the request at the July 30, 2021 Meeting.
- f) On February 2, 2022, the Applicant requested a third six-month firm loan commitment extension from April 27, 2022 to October 27, 2022. Requests outlined are 1) unit reductions from five (5) three-bedroom, two-bath and two (2) one-bedroom, one-bath to five two-bedroom, one-bath single family homes due to increased construction costs; 2) unit reductions from seven (7) to five (5) due to being located in the historic district of the City of Key West which prompts approval from several committees and commissions and ‘will take a minimum of 10 months to one year’. With five units, review and approval by the



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Historic Architectural Review Commission (HARC) should take a few months; and 3) submission of plans and specs cannot be reviewed for issuance of building permits until approval by the HARC ([Exhibit D](#)). The Applicant also commits to the completion of the Development by the 2024 deadline.

**2. Recommendation**

- a) Approve the outlined requests to allow the additional six months from April 27, 2022 to October 27, 2022, to complete the credit underwriting report and issue a firm loan commitment. Additionally, due to the funding source and nature of the CDBG-DR funds, approve the request to waive applicable extension fees.

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**E. Request RFA Waiver Approval of Loan Closing Extension Deadline for Metro Grande III (2020-041D)**

<b>Development Name: Metro Grande III</b>	<b>Location: Miami-Dade County</b>
<b>Applicant/Borrower: Metro Grande III Associates, Ltd.</b>	<b>Set-Aside(s):</b> 33.33% @ 30% AMI (ELI) 7.14% @ 60% AMI (Workforce) 32.14% @ 70% AMI (Workforce) 27.38% @ 80% AMI (Workforce)
<b>Developer/Principal: Cornerstone Group Partners, LLC.</b>	<b>Demographic/Number of Units:</b> Disaster Relief/Workforce/84 units
<b>Requested Amounts (Development Funding):</b>  \$3,175,000 Community Development Block Grant – Disaster Relief (CDBG-DR)  \$1,524,816 Annual Non-Competitive Housing Credits (4% HC)	<b>Development Category/Type: New Construction/High Rise</b>

**1. Background/Present Situation**

- a) On July 30, 2019, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2019-102 for Community Development Block Grant – Disaster Recovery to be used in conjunction with Tax-Exempt MMRB and Non-Competitive Housing Credits in Counties Deemed Hurricane Recovery Priorities.
- b) On April 17, 2020, the Board approved the final scores and recommendations for the RFA and directed staff to proceed with all necessary credit underwriting activities for the thirteen (13) eligible Applicants.
- c) On April 23, 2020, staff issued a preliminary commitment letter. In accordance with the RFA, the Developer has an April 24, 2021 deadline to complete the credit underwriting report and be issued a firm loan commitment. Pursuant to the RFA, the Applicant may request one extension of the deadline of up to six months.
- d) On March 12, 2021, the Board approved the extension of the first firm loan commitment deadline through October 28, 2021 and waiver of applicable CDBG-DR extension fees due to conditions created by the COVID-19 pandemic.
- e) On September 10, 2021, the Board approved the final credit underwriting report with a positive recommendation for a CDBG-DR loan in the amount of \$3,175,000 and Non-Competitive Housing Credits annually in the amount of \$1,524,816.
- f) On February 16, 2022, the Applicant requested a six-month loan closing extension deadline from March 14, 2022 to September 14, 2022 due to currently not having been granted the authority to use CDBG-DR funds by the Department of Economic Opportunity ([Exhibit E](#)).

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**2. Recommendation**

- a) Approve the loan closing deadline extension request for six months from March 14, 2022 to September 14, 2022. Additionally, due to the funding source and nature of the CDBG-DR funds, approve the request to waive applicable extension fees.

**HOME RENTAL**

*Consent*

**I. HOME RENTAL**

**A. Request Approval of HOME Credit Underwriting Report for Hermosa Arcadia (2021-285H)**

<b>Development Name: Hermosa Arcadia (“Development”)</b>	<b>Location: DeSoto County</b>
<b>Developer: Revital Development Group, LLC, National Development of America, Inc., AHA Development, LLC, Michael Allan and Eric Miller (“Developer”)</b>	<b>Set-Asides: 20% @ 50% AMI 80% @ 60% AMI 27 HOME Units</b>
<b>Type: New Construction/Garden Apartments</b>	<b>HOME: \$5,600,000 Viability: \$1,080,000</b>
<b>Total Number of Units: 27</b>	<b>Demographic: Family</b>

**1. Background/Present Situation**

- a) The Applicant applied for funding under Request for Applications (“RFA”) 2020-206 seeking an allocation of HOME Financing for the Construction of Small, Rural Developments.
- b) On January 22, 2021, the Board approved the final scores and recommendations for the RFA and directed staff to proceed with all necessary credit underwriting activities for the six (6) eligible Applicants. After a formal written protest by the Developer of Hermosa Arcadia, the Board on March 12, 2021 approved the funding of all seven (7) Applicants, including Hermosa Arcadia.
- c) On March 18, 2021, staff issued a preliminary commitment letter. In accordance with Rule 67-48, the Developers had a March 19, 2022 deadline to complete the credit underwriting report and be issued a firm loan commitment. Pursuant to Rule 67-48.0072(21)(b) the Applicants may request one extension of the deadline of up to six months.
- d) On February 23, 2022 staff received a final credit underwriting report with a positive recommendation for a HOME loan in the amount of \$5,600,000 and a Viability Loan of \$1,080,000 ([Exhibit A](#)). Staff has approved this report and finds the Development meets all of the requirements of Rule Chapter 67-48, F.A.C.

**2. Recommendation**

- a) Approve the final credit underwriting report and direct staff to proceed with issuance of a firm loan commitment and loan closing activities subject to further approvals and verifications by the Credit Underwriter, Special Counsel and the appropriate Florida Housing staff.

**HOME RENTAL**

*Consent*

**B. Request Approval of HOME Credit Underwriting Report for Sandcastle Pines (2021-284H)**

<b>Development Name: Sandcastle Pines (“Development”)</b>	<b>Location: Bradford County</b>
<b>Developer: Sandcastles Foundation, Inc., Panhandle Affordable II, LLC, FBC Holdings, LLC, MTF Holdings, LLC, Michael McPhillips and Martin Flynn (“Developer”)</b>	<b>Set-Asides: 20% @ 50% AMI 80% @ 60% AMI 25 HOME Units</b>
<b>Type: New Construction/Single Family</b>	<b>HOME: \$5,826,000 Viability: \$186,042.33</b>
<b>Total Number of Units: 25</b>	<b>Demographic: Family</b>

**1. Background/Present Situation**

- a) The Applicant applied for funding under Request for Applications (“RFA”) 2020-206 seeking an allocation of HOME Financing for the Construction of Small, Rural Developments.
- b) On January 22, 2021, the Board approved the final scores and recommendations for the RFA and directed staff to proceed with all necessary credit underwriting activities for the six (6) eligible Applicants. After a formal written protest by the Developer of Hermosa Arcadia, the Board on March 12, 2021 approved the funding of all seven (7) Applicants, including Hermosa Arcadia.
- c) On March 18, 2021, staff issued a preliminary commitment letter. In accordance with Rule 67-48, the Developers had a March 19, 2022 deadline to complete the credit underwriting report and be issued a firm loan commitment. Pursuant to Rule 67-48.0072(21)(b) the Applicants may request one extension of the deadline of up to six months.
- d) On February 23, 2022 staff received a final credit underwriting report with a positive recommendation for a HOME loan in the amount of \$5,826,000 and a Viability Loan of \$186,042.33 ([Exhibit B](#)). Staff has approved this report and finds the Development meets all of the requirements of Rule Chapter 67-48, F.A.C.

**2. Recommendation**

- a) Approve the final credit underwriting report and direct staff to proceed with issuance of a firm loan commitment and loan closing activities subject to further approvals and verifications by the Credit Underwriter, Special Counsel and the appropriate Florida Housing Staff.

**HOME RENTAL**

*Consent*

**C. Request Approval of Firm Loan Commitment Issuance Deadline Extension for Casa San Alfonso (2021-282H)**

<b>Development Name: Casa San Alfonso</b>	<b>Location: Hardee County</b>
<b>Applicant/Borrower: San Alfonso Housing, Inc.</b>	<b>Set-Aside(s): 20% @ 50% AMI 80% @ 60% AMI</b>
<b>Developer/Principal: National Development of America, Inc., Eric Miller, Debra Henderson, Brian Miller, Matthew Miller, John Raymond and Ashley Huber</b>	<b>Demographic/Number of Units: Family/24 HOME units</b>
<b>Requested Amounts: HOME \$5,450,000 Viability \$810,000</b>	<b>Development Category/Type: New Construction/Single Family Homes</b>

**1. Background/Present Situation**

- a) The Applicant applied for funding under Request for Applications (“RFA”) 2020-206 seeking an allocation of HOME Financing for the Construction of Small, Rural Developments.
- b) On January 22, 2021, the Board approved the final scores and recommendations for the RFA and directed staff to proceed with all necessary credit underwriting activities for the six (6) eligible Applicants. After a formal written protest by the Developer of Hermosa Arcadia, the Board on March 12, 2021 approved the funding of all seven (7) Applicants, including Hermosa Arcadia.
- c) On March 18, 2021, staff issued a preliminary commitment letter. In accordance with Rule 67-48, the Developers had a March 22, 2022 deadline to complete the credit underwriting report and be issued a firm loan commitment. Pursuant to Rule 67-48.0072(21)(b) the Applicants may request one extension of the deadline of up to six months.
- d) On February 16, 2022, staff received a request from the Applicant to extend the firm loan commitment by six (6) months. The Applicant has experienced several delays due to the Covid-19 pandemic and is also experiencing rising construction costs which have resulted in a Rule Waiver request for this Board meeting to reduce the number of units in the development ([Exhibit C](#)).

**2. Recommendation**

- a) Approve the request to allow an additional six months until September 22, 2022, to complete the credit underwriting report, including any recommendation for HOME Viability Funding, and issue a firm loan commitment.

**HOME RENTAL**

*Consent*

**D. Request Approval of Loan Closing Deadline Extension for Greyes Place, Phase II (2021-288H)**

<b>Development Name: Greyes Place, Phase II (“Development”)</b>	<b>Location: Wakulla County</b>
<b>Developer: Affordable Housing Solutions for Florida, Inc., Debra S. Fleming (“Developer”)</b>	<b>Set-Asides: 20% @ 50% AMI 80% @ 60% AMI 30 HOME Units</b>
<b>Type: New Construction/Duplexes</b>	<b>HOME: \$5,791,715</b>
<b>Total Number of Units: 30</b>	<b>Demographic: Family</b>

**1. Background/Present Situation**

- a) The Applicant applied for funding under Request for Applications (“RFA”) 2020-206 seeking an allocation of HOME Financing for the Construction of Small, Rural Developments.
- b) On January 22, 2021, the Board approved the final scores and recommendations for the RFA and directed staff to proceed with all necessary credit underwriting activities for the six (6) eligible Applicants. After a formal written protest by the Developer of Hermosa Arcadia, the Board on March 12, 2021 approved the funding of all seven (7) Applicants, including Hermosa Arcadia.
- c) On March 18, 2021, staff issued a preliminary commitment letter. In accordance with Rule 67-48, the Developers had a March 19, 2022 deadline to complete the credit underwriting report and be issued a firm loan commitment. Pursuant to Rule 67-48.0072(21)(b) the Applicants may request one extension of the deadline of up to six months.
- d) On October 13, 2021 staff received a final credit underwriting report with a positive recommendation for a HOME loan in the amount of \$5,791,715. The report received Board approval at the October 22, 2021 meeting with a loan closing deadline of February 24, 2022. Pursuant to Rule Chapter 67-48 (26), F.A.C. the Applicant may request one (1) extension of the loan closing date for up to 90 calendar days.
- e) On January 31, 2022, the Applicant requested a 90-day extension of the loan closing deadline until May 25, 2022, in order to complete HUD’s approval of the Format II Environmental Report and the release of funding ([Exhibit D](#)).

**2. Recommendation**

- a) Approve the request to extend the loan closing deadline until May 25, 2022, subject to further approvals and verifications by the Credit Underwriter, Special Counsel and the appropriate Florida Housing staff.

**HOME RENTAL**

*Consent*

**E. Request Approval of Firm Loan Commitment Issuance Deadline Extension for Liberty Crossings (2021-287H)**

<b>Development Name: Liberty Crossings</b>	<b>Location: Liberty County</b>
<b>Applicant/Borrower: Affordable Housing Solutions for Florida, Inc.</b>	<b>Set-Aside(s): 20% @ 50% AMI 80% @ 60% AMI</b>
<b>Developer/Principal: Affordable Housing Solutions for Florida, Inc., Debra Fleming, Jacqueline McPhillips, Pedro Vermales, Virginia Britten and Tara Tempfer</b>	<b>Demographic/Number of Units: Family/37 HOME units</b>
<b>Requested Amounts: HOME \$5,981,762 Viability \$120,000</b>	<b>Development Category/Type: New Construction/Townhouses</b>

**1. Background/Present Situation**

- a) The Applicant applied for funding under Request for Applications (“RFA”) 2020-206 seeking an allocation of HOME Financing for the Construction of Small, Rural Developments.
- b) On January 22, 2021, the Board approved the final scores and recommendations for the RFA and directed staff to proceed with all necessary credit underwriting activities for the six (6) eligible Applicants. After a formal written protest by the Developer of Hermosa Arcadia, the Board on March 12, 2021 approved the funding of all seven (7) Applicants, including Hermosa Arcadia.
- c) On March 18, 2021, staff issued a preliminary commitment letter. In accordance with Rule 67-48, the Developers had a March 22, 2022 deadline to complete the credit underwriting report and be issued a firm loan commitment. Pursuant to Rule 67-48.0072(21)(b) the Applicants may request one extension of the deadline of up to six months.
- d) On January 31, 2022, staff received a request from the Applicant to extend the firm loan commitment by six (6) months. The Applicant has experienced several delays due to rising construction costs which have changed the design from townhouses to a mix of garden homes and duplexes ([Exhibit E](#)).

**2. Recommendation**

- a) Approve the request to allow an additional six months until September 19, 2022, to complete the credit underwriting report, including any recommendation for HOME Viability Funding, and issue a firm loan commitment.



**HOME RENTAL**

*Consent*

**F. Request Approval of Firm Loan Commitment Issuance Deadline Extension for Meadow Park (2021-280H)**

<b>Development Name: Meadow Park</b>	<b>Location: DeSoto County</b>
<b>Applicant/Borrower: Meadow Park Apartments, LLC</b>	<b>Set-Aside(s): 20% @ 50% AMI 80% @ 60% AMI</b>
<b>Developer/Principal: National Development of America, Inc., Eric Miller, Debra Henderson, Brian Miller, Matthew Miller, John Raymond and Ashley Huber</b>	<b>Demographic/Number of Units: Family/27 HOME units</b>
<b>Requested Amounts: HOME \$5,350,000 Viability \$120,000</b>	<b>Development Category/Type: New Construction/Garden Apartments</b>

**1. Background/Present Situation**

- a) The Applicant applied for funding under Request for Applications (“RFA”) 2020-206 seeking an allocation of HOME Financing for the Construction of Small, Rural Developments.
- b) On January 22, 2021, the Board approved the final scores and recommendations for the RFA and directed staff to proceed with all necessary credit underwriting activities for the six (6) eligible Applicants. After a formal written protest by the Developer of Hermosa Arcadia, the Board on March 12, 2021 approved the funding of all seven (7) Applicants, including Hermosa Arcadia.
- c) On March 18, 2021, staff issued a preliminary commitment letter. In accordance with Rule 67-48, the Developers had a March 22, 2022 deadline to complete the credit underwriting report and be issued a firm loan commitment. Pursuant to Rule 67-48.0072(21)(b) the Applicants may request one extension of the deadline of up to six months.
- d) On February 16, 2022, staff received a request from the Applicant to extend the firm loan commitment by six (6) months. The Applicant has experienced several delays due to the Covid-19 pandemic and is also experiencing rising construction costs which have resulted in a Rule Waiver request for this Board meeting to reduce the number of units in the development ([Exhibit F](#)).

**2. Recommendation**

- a) Approve the request to allow an additional six months until September 22, 2022, to complete the credit underwriting report, including any recommendation for HOME Viability Funding, and issue a firm loan commitment.

**HOME RENTAL**

*Consent*

**G. Request Approval of Firm Loan Commitment Issuance Deadline Extension for Thomas Pines (2021-281H)**

<b>Development Name: Thomas Pines</b>	<b>Location: Jackson County</b>
<b>Applicant/Borrower: Ad Meliora Community Development, Inc.</b>	<b>Set-Aside(s): 20% @ 50% AMI 80% @ 60% AMI</b>
<b>Developer/Principal: Ad Meliora Community Development, Inc., Volunteers of America, Inc., Maurice Harvey and Janet Stringfellow</b>	<b>Demographic/Number of Units: Family/35 HOME units</b>
<b>Requested Amounts: HOME \$5,556,051 Viability \$1,125,000</b>	<b>Development Category/Type: New Construction/Duplexes</b>

**1. Background/Present Situation**

- a) The Applicant applied for funding under Request for Applications (“RFA”) 2020-206 seeking an allocation of HOME Financing for the Construction of Small, Rural Developments.
- b) On January 22, 2021, the Board approved the final scores and recommendations for the RFA and directed staff to proceed with all necessary credit underwriting activities for the six (6) eligible Applicants. After a formal written protest by the Developer of Hermosa Arcadia, the Board on March 12, 2021 approved the funding of all seven (7) Applicants, including Hermosa Arcadia.
- c) On March 18, 2021, staff issued a preliminary commitment letter. In accordance with Rule 67-48, the Developers had a March 25, 2022 deadline to complete the credit underwriting report and be issued a firm loan commitment. Pursuant to Rule 67-48.0072(21)(b) the Applicants may request one extension of the deadline of up to six months.
- d) On February 3, 2022, staff received a request from the Applicant to extend the firm loan commitment by 180 days. The Applicant has experienced several cost increases due to inflation and labor and supply chain issues related to the Covid-19 pandemic ([Exhibit G](#)).

**2. Recommendation**

- a) Approve the request to allow an additional six months until September 21, 2022, to complete the credit underwriting report, including any recommendation for HOME Viability Funding, and issue a firm loan commitment.

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*Consent*

**I. LEGAL**

**A. In Re: Dockside at Sugarloaf Key, LLC - FHFC Case No. 2022-005VW**

<b>Development Name: (“Development”):</b>	<b>Dockside at Sugarloaf Key</b>
<b>Developer/Principal: (“Developer”):</b>	<b>Rural Neighborhoods, Inc / Steven Kirk JCG Real Estate Ventures, LLC / Jason Goldfarb Advanced Housing Corp. / Barry Goldmeier</b>
<b>Number of Units: 28</b>	<b>Location: Monroe County</b>
<b>Type: Garden Apartments/New Construction</b>	<b>Set Asides: 3 units at 30% AMI 23 units at 60% AMI 1 unit at 80% AMI 1 unit at 120% AMI</b>
<b>Demographics: Family/Workforce</b>	<b>Funding: SAIL: \$1,366,400 9% HC: \$925,344</b>

**1. Background**

- a) Petitioner Dockside at Sugarloaf Key, LLC was selected to receive State Apartment Incentive Loan (“SAIL”) funding and 9% Housing Tax Credits under Request for Applications 2018-115 (the “RFA”), to assist in the construction of a workforce housing Development in Monroe County, Florida. On January 6, 2022, Florida Housing received a Petition for Waiver of Rule 67-48.0072(21)(B) and for Waiver of the Qualified Allocation Plan’s Requirement for Returning Housing Credit Allocations and Rule 67-48.002(96) (the “Petition”) requesting to extend the SAIL firm loan commitment issuance deadline and a waiver of the timing provisions of the Qualified Allocation Plan for exchanging housing credits. A copy of the Petition is attached as [Exhibit A](#).

**2. Present Situation**

- a) Rule 67-48.0072(21)(b) Fla. Admin. Code (2018), states in relevant part:

“(21) Information required by the Credit Underwriter shall be provided as follows:

(b) For SAIL, EHCL, and HOME, unless stated otherwise in a competitive solicitation, the firm loan commitment must be issued within (12) months of the Applicant’s acceptance to enter credit underwriting. Unless an extension is approved by the Corporation in writing, failure to achieve credit underwriting report approval and issuance of a firm loan commitment by the specified deadline shall result in withdrawal of the preliminary commitment. Applicants may request one (1) extension of up to six (6) months to secure a firm loan commitment. All extension requests must be submitted in writing to the program administrator and contain the specific reasons for requesting the extension and shall detail the time frame to achieve a firm loan commitment. In determining whether to grant an extension, the Corporation shall consider the facts and circumstances of the Applicant’s request, inclusive of the responsiveness of the Development team and its ability to deliver the Development timely.

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### *Consent*

The Corporation shall charge a non-refundable extension fee of one (1) percent of each loan amount if the request to extend the credit underwriting and firm loan commitment process beyond the initial twelve (12) month deadline is approved.... If, by the end of the extension period, the Applicant has not received a firm loan commitment, then the preliminary commitment shall be withdrawn.”

- b) The Corporation’s Qualified Allocation Plan (Section II.K) provides that Housing Credits may be returned only in the last calendar quarter of the year in which a development is required to be placed in service:

“... where a Development has not been placed in service by the date required pursuant to Section 42 of the IRC, or it is apparent that a Development will not be placed in service by the date required pursuant to Section 42 of the IRC, and such failure is due to circumstances beyond the Applicant’s control, and the Applicant has returned its Housing Credit allocation in the last calendar quarter of the year in which it was otherwise required to be placed in service pursuant to Section 42 of the IRC, the Corporation may reserve allocation in an amount to not exceed the amount of Housing Credits returned, and may issue a Carryover Allocation Agreement allocating such Housing Credits to the Applicant for either the current year or the year after the year in which the Development was otherwise required to be placed in service...”

- c) Petitioner was previously granted an extension to secure a firm loan commitment of the SAIL award. Petitioner is now requesting an extension from the already extended date of January 31, 2022 to January 31, 2023 to have additional time to complete permitting and credit underwriting for the Development. Any further extension of the deadline may not be granted with a waiver of the rule.
- d) The current Carryover Allocation Agreement required the petitioner to meet the 10% test by February 12, 2022. Failure to meet the 10% test would result in loss of the housing credits. However, after the filing of the Petition, IRS Notice 2022-05 was issued (on January 31, 2022), which extended the 10% Test deadline for this Development to December 31, 2022. Under the QAP, Petitioner must wait for the fourth calendar quarter of 2023 to return its 2021 Housing Credit Allocation. Petitioner is requesting to return its 2021 Housing Credit Allocation now and obtain from the Corporation an immediate allocation of new housing credits with a later 10% test deadline to complete the permitting and credit underwriting and close on its financing and commence construction, enabling it to meet the 10% test.
- e) There has been substantial opposition to affordable housing made by organized entities and neighboring landowners in Monroe County. This has caused a need for the Developer and Applicant to retain planners, traffic engineers, biologists, legal counsel, and other professionals to establish an extensive record and address the expressed concerns.
- f) Petitioner held two large voluntary public meetings on Sugarloaf Key, where it presented conceptual drawings and polled neighbor reactions to design alternatives. On October 1, 2020, Petitioner participated in a mandatory community meeting and public participation required by the Monroe County

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Planning and Environmental Resources Department in accordance with the Monroe County Land Development Code and on November 16, 2020 participated in a public Development Review Committee meeting where Monroe County presented its staff reports recommending the approval of requested conditional uses. On December 16, 2020, Petitioner participated in an extensive public meeting of the Monroe County Planning Commission, in which the conditional uses were approved unanimously.

- g) On February 5, 2021, entities opposed this approved action and filed an appeal of the Planning Commission approval to the Florida Division of Administrative Hearing (“DOAH”). After oral arguments on July 13, 2021 and July 22, 2021, the DOAH Administrative Law Judge affirmed the issuance of the major conditional use for the Development. Following, on August 18, 2021, the entities who appealed the Planning Commission’s Approval filed a Writ of Certiorari seeking to overturn the DOAH order. Petitioner filed a response on September 29, 2021. The opposing parties’ reply brief was extended from October 29, 2021 to February 28, 2022 because the parties have reached tentative agreement on resolution of litigation, which allows Petitioner to proceed with the Development.
- h) The Developer has responded to many correspondence requests from corporations, LLC companies and individuals who oppose the project, including requests for its charitable tax returns and audits. Both the Developer and Applicant have been forced to respond to a series of correspondences addressed to potential Housing Credit investors, the assigned credit underwriting firm and FHFC from entities in opposition of the project. The inference with financial sources and credit underwriting has caused significant delay and financial harm to both the Developer and Applicant. Due to the pandemic, the process in completing this project has been slowed down even more.
- i) Section 120.542(2), Florida Statutes provides in pertinent part:

Variances and waivers shall be granted when the person subject to the rule demonstrates that the purpose of the underlying statute will be or has been achieved by other means by the person and when application of a rule would create a substantial hardship or would violate principles of fairness.
- j) Granting the requested waiver would not have any impact on other participants in funding programs administered by Florida Housing, nor would it have a detrimental impact on Florida Housing or the Development. Petitioner has demonstrated that strict application of the above Rules under these circumstances would constitute a substantial hardship.
- k) Petitioner has also demonstrated that the purpose of the underlying statute, which is to “encourage development of low-income housing in the state” (§420.5099, Fla. Stat.), would still be achieved if the waiver is granted.

## LEGAL

### *Consent*

#### 3. **Recommendation**

- a) Staff recommends the Board **GRANT** Petitioner's request for a waiver of Rule 67-48.0072(21)(b), Fla. Admin. Code (2018), Section II.K of the 2018 Qualified Allocation Plan, and Rule 67-48.002(96), Fla. Admin. Code (2018) to extend Petitioner's SAIL loan firm commitment deadline from January 31, 2022 to January 31, 2023 and to allow Petitioner to return its 2021 Housing Credits now and receive an immediate allocation of 2022 Housing Credits.

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**B. In Re: The Landings at Sugarloaf Key, LLC - FHFC Case No. 2022-006VW**

<b>Development Name: (“Development”):</b>	<b>The Landings at Sugarloaf Key</b>
<b>Developer/Principal: (“Developer”):</b>	<b>Rural Neighborhoods, Inc / Steven Kirk JCG Real Estate Ventures, LLC / Jason Goldfarb Advanced Housing Corp. / Barry Goldmeier</b>
<b>Number of Units: 60</b>	<b>Location: Monroe County</b>
<b>Type: Garden Apartments/New Construction</b>	<b>Set Asides: 5% at 25% AMI 40% at 60% AMI 55% at 120% AMI</b>
<b>Demographics: Family/Workforce</b>	<b>Funding: SAIL: \$3,534,000.00 9% HC: \$925,344</b>

**1. Background**

- a) Petitioner, The Landings at Sugarloaf Key, LLC, was selected to receive State Apartment Incentive Loan (“SAIL”) funding and 9% Housing Tax Credits under Request for Applications 2018-115 (the “RFA”), to assist in the construction of a workforce housing Development in Monroe County, Florida. On January 6, 2022, Florida Housing received a Petition for Waiver of Rule 67-48.0072(21)(B) and for Waiver of the Qualified Allocation Plan’s Requirement for Returning Housing Credit Allocations and Rule 67-48.002(96) (the “Petition”) requesting to extend the SAIL firm loan commitment issuance deadline and a waiver of the timing provisions of the Qualified Allocation Plan for exchanging housing credits. A copy of the Petition is attached as [Exhibit B](#).

**2. Present Situation**

- a) Rule 67-48.0072(21)(b) Fla. Admin. Code (2018), states in relevant part:

“(21) Information required by the Credit Underwriter shall be provided as follows:

(b) For SAIL, EHCL, and HOME, unless stated otherwise in a competitive solicitation, the firm loan commitment must be issued within (12) months of the Applicant’s acceptance to enter credit underwriting. Unless an extension is approved by the Corporation in writing, failure to achieve credit underwriting report approval and issuance of a firm loan commitment by the specified deadline shall result in withdrawal of the preliminary commitment. Applicants may request one (1) extension of up to six (6) months to secure a firm loan commitment. All extension requests must be submitted in writing to the program administrator and contain the specific reasons for requesting the extension and shall detail the time frame to achieve a firm loan commitment. In determining whether to grant an extension, the Corporation shall consider the facts and circumstances of the Applicant’s request, inclusive of the responsiveness of the Development team and its ability to deliver the Development timely. The Corporation shall charge a non-refundable extension fee of one (1) percent of each loan amount if the request to extend the credit underwriting and firm loan commitment process beyond the initial

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### *Consent*

twelve (12) month deadline is approved.... If, by the end of the extension period, the Applicant has not received a firm loan commitment, then the preliminary commitment shall be withdrawn.”

- b) The Corporation’s Qualified Allocation Plan (Section II.K) provides that Housing Credits may be returned only in the last calendar quarter of the year in which a development is required to be placed in service:

“... where a Development has not been placed in service by the date required pursuant to Section 42 of the IRC, or it is apparent that a Development will not be placed in service by the date required pursuant to Section 42 of the IRC, and such failure is due to circumstances beyond the Applicant’s control, and the Applicant has returned its Housing Credit allocation in the last calendar quarter of the year in which it was otherwise required to be placed in service pursuant to Section 42 of the IRC, the Corporation may reserve allocation in an amount to not exceed the amount of Housing Credits returned, and may issue a Carryover Allocation Agreement allocating such Housing Credits to the Applicant for either the current year or the year after the year in which the Development was otherwise required to be placed in service...”

- c) Petitioner was previously granted an extension to secure a firm loan commitment of the SAIL award. Petitioner is now requesting an extension from the already extended date of January 31, 2022 to January 31, 2023 to have additional time to complete permitting and credit underwriting for the Development. Any further extension of the deadline may not be granted with a waiver of the rule.
- d) The current Carryout Allocation Agreement required the petitioner to meet the 10% test by February 12, 2022. Failure to meet the 10% test would result in loss of the housing credits. However, after the filing of the Petition, IRS Notice 2022-05 was issued (on January 31, 2022), which extended the 10% Test deadline for this Development to December 31, 2022. Under the QAP, Petitioner must wait for the fourth calendar quarter of 2023 to return its 2021 Housing Credit Allocation. Petitioner is requesting to return its 2021 Housing Credit Allocation now and obtain from the Corporation an immediate allocation of new housing credits with a later 10% test deadline to complete the permitting and credit underwriting and close on its financing and commence construction, enabling it to meet the 10% test.
- e) There has been substantial opposition to affordable housing made by organized entities and neighboring landowners in Monroe County. This has caused a need for the Developer and Applicant to retain planners, traffic engineers, biologists, legal counsel, and other professionals to establish an extensive record and address the expressed concerns.
- f) Petitioner held two large voluntary public meetings on Sugarloaf Key, where it presented conceptual drawings and polled neighbor reactions to design alternatives. On October 1, 2020, Petitioner participated in a mandatory community meeting and public participation required by the Monroe County Planning and Environmental Resources Department in accordance with the Monroe County Land Development Code and on November 16, 2020 participated in a public Development Review Committee meeting where



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Monroe County presented its staff reports recommending the approval of requested conditional uses. On December 16, 2020, Petitioner participated in an extensive public meeting of the Monroe County Planning Commission, in which the conditional uses were approved unanimously.

- g) On February 5, 2021, entities opposed this approved action and filed an appeal of the Planning Commission approval to the Florida Division of Administrative Hearing (“DOAH”). After oral arguments on July 13, 2021 and July 22, 2021, the DOAH Administrative Law Judge affirmed the issuance of the major conditional use for the Development. Following, on August 18, 2021, the entities who appealed the Planning Commission’s Approval filed a Writ of Certiorari seeking to overturn the DOAH order. Petitioner filed a response on September 29, 2021. The opposing parties’ reply brief was extended from October 29, 2021 to February 28, 2022 because the parties have reached tentative agreement on resolution of litigation, which allows Petitioner to proceed with the Development.
- h) The Developer has responded to many correspondence requests from corporations, LLC companies and individuals who oppose the project, including requests for its charitable tax returns and audits. Both the Developer and Applicant have been forced to respond to a series of correspondences addressed to potential Housing Credit investors, the assigned credit underwriting firm and FHFC from entities in opposition of the project. The inference with financial sources and credit underwriting has caused significant delay and financial harm to both the Developer and Applicant. Due to the pandemic, the process in completing this project has been slowed down even more.
- i) Section 120.542(2), Florida Statutes provides in pertinent part:

Variances and waivers shall be granted when the person subject to the rule demonstrates that the purpose of the underlying statute will be or has been achieved by other means by the person and when application of a rule would create a substantial hardship or would violate principles of fairness.
- j) Granting the requested waiver would not have any impact on other participants in funding programs administered by Florida Housing, nor would it have a detrimental impact on Florida Housing or the Development. Petitioner has demonstrated that strict application of the above Rules under these circumstances would constitute a substantial hardship.
- k) Petitioner has also demonstrated that the purpose of the underlying statute, which is to “encourage development of low-income housing in the state” (§420.5099, Fla. Stat.), would still be achieved if the waiver is granted.

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**3. Recommendation**

- a) Staff recommends the Board **GRANT** Petitioner's request for a waiver of Rule 67-48.0072(21)(b), Fla. Admin. Code (2018), Section II.K of the 2018 Qualified Allocation Plan, and Rule 67-48.002(96), Fla. Admin. Code (2018) to extend Petitioner's SAIL loan firm commitment deadline from January 31, 2022 to January 31, 2023 and to allow Petitioner to return its 2021 Housing Credits now and receive an immediate allocation of 2022 Housing Credits.

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C. In Re: Millennia Jacksonville FL TC, LP - FHFC Case No. 2022-007VW

<b>Development Name: (“Development”):</b>	<b>Calloway Cove</b>
<b>Developer/Principal: (“Developer”):</b>	<b>Millennia Housing Development, Ltd. / Frank T. Sinito</b>
<b>Number of Units: 200</b>	<b>Location: Duval County</b>
<b>Type: Townhouses/ Acquisition and Preservation</b>	<b>Set Asides: 100% at 60% AMI</b>
<b>Demographics: Family</b>	<b>Funding: 4% HC: \$1,223,380.00</b>

1. **Background**

- a) Petitioner, Millennia Jacksonville FL TC, LP, received a loan from the Jacksonville Housing Finance Authority (“JFHA”) in the amount of \$81,600,000 financed by the proceeds of multifamily housing revenue bonds to assist in the acquisition and preservation of a portfolio of four properties, one of which includes Calloway Cove in Duval County. Petitioner also applied for and was awarded 4% Housing Credits to assist in the rehabilitation of this Development. On January 12, 2022, Florida Housing received a Petition for Waiver of Rule 67-21.003(8)(i) F.A.C. (2018) to decrease the total number of units from 200 to 188. On February 3, 2022, Florida Housing received an Amended Petition for Waiver of Rule 67-21.003(8)(i). A copy of the Amended Petition is attached as [Exhibit C](#).

2. **Present Situation**

- a) Rule 67-21.003(8)(i) Fla. Admin. Code (2018), states in relevant part:
- (8) Notwithstanding any other provision of these rules, there are certain items that must be included in the Application and cannot be revised, corrected, or supplemented after the Application is deemed complete. Those items are as follows:
- (i) Total number of units
- b) Petitioner requests a waiver of the Rule to decrease the number of units from 200 to 188 in Calloway Cove (“Development”). Petitioner was originally underwritten for the total number of units that was submitted in the Application and demonstrated eligibility for Housing Credits, as evidenced by the Preliminary Determination Certificate.
- c) Following the submission of the Application, but prior to the receipt of the credit underwriting report (CUR), Building G in the development was damaged in a fire, where 12 units were damaged beyond repair.
- d) Included in the CUR that was issued December 2020, was the cost of repair for Building G. Petitioner was unaware of the extent of the damage and was not made aware until January 2021 when they were able to complete a through damage/repair assessment.

## LEGAL

### *Consent*

- e) The fire caused both damage to the building and personal injuries, which led to numerous investigations of the building. This resulted in the Petitioner having to be extremely cautious in how they proceeded with respect to the building.
- f) After the investigations and inspections, Petitioner worked with former residents to help retrieve their personal belongings from the building. Asbestos-containing components were also found in the building which caused any work to be pushed back.
- g) Shortly after in February 2020, the public health emergency caused by the COVID-19 pandemic further delayed the Petitioner's rehabilitation process at the development. Petitioner was then issued a Notice of Condemnation by the City of Jacksonville, which was later resolved in December 2020. After receiving the demolition permit for the partial demolition, work began on December 7, 2020 and was completed on January 11, 2021. It was only after this work was completed that The Architectural Team Company (TAT) determined that the building should be demolished due to (1) the existing walls having extensive fire damage; (2) the need for new roof tie-down anchors throughout the building; and (3) the fact that existing brick and masonry walls were not tied together and would need to be structurally connected. The reconstruction cost would exceed \$2.3 million, and insurance only covered \$864,000 worth of damages. Petitioner notes that while Building G will not be repaired or replaced, the increased Development costs as noted in the CUR will remain because of other additional costs incurred. Petitioner conducted gas line testing at the Development and at the additional three properties in the Portfolio as a precaution, which resulted in replacing all the gas lines at the Petitioner's Valencia Way property (part of the four-property portfolio).
- h) Even with the loss of 12 units, Petitioner states that the Debt Services Coverage Ratio will remain above 1.10 because (a) since issuance of the Certificate, Petitioner has received two Operating Cost Adjustment Factor increases to overall rents; and (b) since construction completion and as the Development approaches stabilization, operating expenses have continued to decrease.
- i) Florida Housing requested a recommendation letter from First Housing Development Corporation of Florida ("First Housing"), the Credit Underwriter on this transaction, to substantiate that the Development will continue to meet Florida Housing's requirements and underwriting standards in light of the reduction to the overall number of units. Florida Housing received the recommendation letter on February 16, 2022, which reflected that the overall debt service coverage ratio would meet the 1.10x underwriting standard and that the Development has or will receive \$872,193 in insurance proceeds, which will be used to pay down one of the affiliated loans.
- j) Section 120.542, Fla. Stat., and Chapter 28-104, F.A.C., provides in pertinent part:

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### *Consent*

The Corporation has the power and authority to grant waivers or variances to its rule requirements when strict application of the rules would lead to unreasonable, unfair, and unintended consequences in particular instances. A waiver or variance shall be granted when the person who is subject to the rule demonstrates that the application of the rule would: (1) create a substantial hardship or violate principles of fairness, and (2) the purpose of the underlying statute has been or will be achieved by other means by the person.

- k) Granting the requested waiver would not have a detrimental impact on Florida Housing or the Development. Granting the waiver would ensure that the 188 affordable housing units of the Development would be preserved and made available for the target population in Duval County. Petitioner has demonstrated that strict application of the above Rules under these circumstances would constitute a substantial hardship. Petitioner has also demonstrated that the purpose of the underlying statute, which is to “encourage development of low-income housing in the state” (§420.5099, Fla. Stat.), would still be achieved if the waiver is granted.

### 3. Recommendation

- a) Staff recommends the Board **GRANT** Petitioner’s request for a waiver of Rule 67-21.003(8)(i), Fla. Admin. Code (2018), to permit Petitioner to reduce the total number of units from 200 to 188.

**LEGAL**

*Consent*

**D. In Re: Pinnacle 441, LLC- FHFC Case No. 2022-008VW**

<b>Development Name: (“Development”):</b>	<b>Pinnacle 441</b>
<b>Developer/Principal: (“Developer”):</b>	<b>Pinnacle Communities, LLC. / David O. Deutch</b>
<b>Number of Units: 110</b>	<b>Location: Broward County</b>
<b>Type: High-Rise/New Construction</b>	<b>Set Asides: 10% at 25% AMI 90% at 60% AMI</b>
<b>Demographics: Family</b>	<b>Funding: 9% HC: \$2,882,000</b>

**1. Background**

- a) Petitioner, Pinnacle 441, LLC, was selected to receive 9% Housing Tax Credits under Request for Applications 2020-202 (the “RFA”), to assist in the construction of a housing Development in Broward County, Florida. On February 4, 2022, Florida Housing received a Petition for Waiver of Rule 67-48.004(3)(j), a waiver that prohibits changing the “Total Set-Aside Percentage” designated by an applicant and set forth in the total set-aside breakdown chart. A copy of the Petition is attached as [Exhibit D](#).

**2. Present Situation**

- a) Rule 67-48.004(3) provides, in relevant part, as follows:

“(3) For the SAIL, HOME and Housing Credit programs, notwithstanding any other provision of these rules, the following items as identified by the Applicant in the Application must be maintained and cannot be changed by the Applicant after the applicable submission, unless otherwise provided below:

(j) For the SAIL and HC Programs, the Total Set-Aside Percentage as stated in the total set-aside break-down chart for the program(s) applied for in the Set-Aside Commitment section of the Application...”

- b) Petitioner requests to increase the total number of units in the Development from 110 (as contained in its Application) to 113 units and to decrease the total set-aside percentage from 100% (as indicated in its Application) to 97%.
- c) Petitioner requests a waiver from Rule 67-48.004(3)(j), Florida Administrative Code (2020), to allow a decrease in the Total Set-Aside Percentage from 100% to 97%. Petitioner seeks to add three additional units to the Development, pursuant to applicable zoning regulations for the area. As a result of the three additional units, Petitioner seeks to have the Total Set-Aside Percentage reduced from 100% to 97%. Petitioner will still provide 10% of the residential units at or below 25% AMI.
- d) The location of the development is in a special overlay transportation-oriented development district of Hollywood, which encourages the development of mixed income housing, particularly in urban areas well-suited to a mixed income development. Being only a mile and a half away from the new Hard Rock Casino makes this Development site a prime location for housing for those earning more than the housing credit income limitations.

## LEGAL

### *Consent*

- e) One of the three non-income restricted units will serve as a “live-work” space, which allows a resident to operate a storefront business on the street and occupy a residential unit located on the ground floor of the building. This concept meshes well with the urban designed mentioned previously, but is problematic to execute with income limited units, which is why the Petitioner requests to add additional market rate units. The other two market rate units would serve the needs of teachers and other professionals earning in excess of the income limitations applicable to affordable housing.
- f) The scoring of the application would not have been affected if Petitioner originally included 113 units with 97% of such units designated as units set-aside for occupancy of households not earning more than 60% AMI. If this request is granted, there will actually be an increase in the number of ELI units (units set-aside for occupancy by households not earning more than 25% of the AMI) from 11 as set forth in the Application to 12 with the approval of this waiver.
- g) The waiver requested would not result in any decrease in the number of “low-income units,” but rather will only increase the total number of units to provide for three additional market rate housing units. However, the denial of the request would result in a substantial economic hardship for Petitioner, as a consequence of lower rental revenues, and lower economies of scale. In addition, three families would be deprived of the opportunity to obtain market rate housing in a mixed income development.
- h) Section 120.542(2), Florida Statutes provides in pertinent part:

Variances and waivers shall be granted when the person subject to the rule demonstrates that the purpose of the underlying statute will be or has been achieved by other means by the person and when application of a rule would create a substantial hardship or would violate principles of fairness.
- i) Granting the requested waiver would not have any impact on other participants in funding programs administered by Florida Housing, nor would it have a detrimental impact on Florida Housing or the Development. Petitioner has demonstrated that strict application of the above Rules under these circumstances would constitute a substantial hardship.
- j) Petitioner has also demonstrated that the purpose of the underlying statute, which is to “encourage development of low-income housing in the state” (§420.5099, Fla. Stat.), would still be achieved if the waiver is granted.

### 3. **Recommendation**

- a) Staff recommends the Board **GRANT** Petitioner’s request for a waiver of Rule 67-48.004(3)(j) Florida Administrative Code (2020), allowing the Petitioner to increase the total unit count from 110 to 113 while decreasing the Total Set-Aside Percentage from 100% to 97%.

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**E. In Re: Hermosa Arcadia, LLC - FHFC Case No. 2022-017VW**

<b>Development Name: (“Development”):</b>	<b>Hermosa Arcadia</b>
<b>Developer/Principal: (“Developer”):</b>	<b>Hermosa Arcadia, LLC</b>
<b>Number of Units: 208</b>	<b>Location: Desoto County</b>
<b>Type: Garden</b>	<b>Set Asides: 20% @ 50% AMI 80% @ 60% AMI</b>
<b>Demographics: Family</b>	<b>Funding: \$5,600,000 HOME</b>

**1. Background**

- a) Petitioner applied for HOME funding to construct Hermosa Arcadia. On February 15, 2022, Florida Housing received a Petition for Waiver of Rule 67-48.004(3)(a), (b), and (d), Fla. Admin. Code and Section for of A.3.c.(3) of RFA 2020-206 to permit changes to its structure. A copy of the Petition is attached as [Exhibit E](#).

**2. Present Situation**

- a) Rule 67-48.004(3)(d), Florida Administrative Code, provides:

(3) For the SAIL, HOME and Housing Credit Programs, notwithstanding any other provision of these rules, the following items as identified by the Applicant in the Application must be maintained and cannot be changed by the Applicant after the applicable submission, unless provided otherwise below:

...

(d) Applicant that applied as a Non-Profit or for-profit organization, unless provided otherwise in a competitive solicitation;

- b) Section Four A.3.c.(3) of the RFA provides in relevant part:

The Applicant entity shall be the borrowing entity and cannot be changed in any way (materially or non-materially) until after loan closing... Changes to the Applicant entity (material or non-material) prior to the loan closing... may result in disqualification from receiving funding and may be deemed a material misrepresentation.

The Principals of each Developer identified in the Application, including all co-Developers, may be changed only by written request of an Applicant to Corporation staff and approval of the Board after the Applicant has been invited to enter credit underwriting.



## LEGAL

### *Consent*

- c) Rule 67-48.004(3)(a) and (b), Florida Administrative Code, which in relevant part provides:
- (3) For the SAIL, HOME and Housing Credit Programs, notwithstanding any other provision of these rules, the following items as identified by the Applicant in the Application must be maintained and cannot be changed by the Applicant after the applicable submission, unless provided otherwise below:
- (a) Name of Applicant or Developer entity(s); notwithstanding the foregoing, the name of the Applicant or Developer entity(s) may be changed only by written request of an Applicant to Corporation staff and approval of the Corporation after the Applicant has been invited to enter credit underwriting. With regard to said approval, the Corporation shall consider the facts and circumstances of each Applicant's request, inclusive of validity and consistency of Application documentation;
- (b) Principals of each Developer, including all co-Developers; notwithstanding the foregoing, the Principals of the Developer(s) may be changed only by written request of an Applicant to Corporation staff and approval of the Board after the Applicant has been invited to enter credit underwriting. With regard to said approval, the Board shall consider the facts and circumstances of each Applicant's request, inclusive of validity and consistency of Application documentation. Principals of a Public Housing Authority or officers and/or directors of a non-profit entity may be changed only by written request of an Applicant to Corporation staff and approval of the Corporation after the Applicant has been invited to enter credit underwriting. Any allowable replacement of a Principal that was identified as the experienced Developer in a competitive solicitation must meet the experience requirements met by the original Principal;
- d) Petitioner requests waiver of the above cited Rule and RFA provisions to restructure the Petitioner to add a member, as sole manager, and to add an additional co-developer in order to remain in compliance with Rules 67-48.0072(11) and 67-48.020(2), Fla. Admin. Code, while making the development financially feasible. Specifically, Petitioner requests to (i) admit AHA Hermosa Arcadia, LLC ("AHA Manager") which is wholly owned by The Housing Authority of the City of Arcadia, Florida, a public housing authority ("AHA"), as a member and sole manager of Petitioner, and (ii) to add another separate developer entity, AHA Development, LLC, ("AHA Developer"), which is also wholly owned by AHA.
- e) As a result of these changes, AHA Manager will own a 25 percent equity interest in Petitioner and serve as sole manager. The Petitioner's current managers and members will no longer serve as co-managers and will now each own a 37.5 percent equity interest. AHA Developer will serve as a co-developer, alongside the current developers and will be entitled to 25 percent of the developer's fees. Attached to the Petition as Exhibit A is the original structure, as Exhibit B is Petitioner's proposed entity and Developer structure, attached as Exhibit C the new Principals Disclosure Form.

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### *Consent*

- f) On February 16, 2022, Notice of the Petition was published in the Florida Administrative Register in Volume 48, Number 32. To date, Florida Housing has received no comments concerning the Petition.
- g) Section 120. 542(2), Florida Statutes provides in pertinent part:

Variances and waivers shall be granted when the person subject to the rule demonstrates that the purpose of the underlying statute will be or has been achieved by other means by the person and when application of a rule would create a substantial hardship or would violate principles of fairness.
- h) Granting the requested waiver would not impact other participants in funding programs administered by Florida Housing, nor would it detrimentally impact Florida Housing. Petitioner has demonstrated that it would suffer a substantial hardship if the waiver is not granted. Petitioner has also demonstrated that the purpose of the underlying statute, which is to “encourage development of low-income housing in the state” (§420.5099, Fla. Stat.), would still be achieved if the waiver is granted.

### 3. Recommendation

- a) Staff recommends the Board **GRANT** Petitioner’s request for a for a waiver of Rule 67-48.004(a), (b), and (d), Florida Administrative Code, and a waiver of Four A.3.c.(3) of the RFA allow Petitioner to (i) admit AHA Manager as a member and sole manager of Petitioner, and (ii) to add another separate developer entity, AHA Developer to Petitioner’s organizational structure, as set forth in the Petition and its attachments.

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F. In Re: Timber Sound Preservation, L.P. – FHFC Case No. 2022-022VW

<b>Development Name: (“Development”):</b>	<b>Timber Sound Apartments</b>
<b>Developer/Principal: (“Developer”):</b>	<b>Timber Sound Preservation, L.P. Lincoln Avenue Capital LLC</b>
<b>Number of Units: 240</b>	<b>Location: Orange County</b>
<b>Type: Rehabilitation, Garden Apartments</b>	<b>Set Asides: 15% at 40% AMI 85% at 60% AMI 100% at 60% AMI</b>
<b>Demographics: Family</b>	<b>MMRB \$16,500,000 4% HC \$975,157</b>

1. **Background**

- a) Petitioner, Timber Sound Preservation, LP, was awarded Multifamily Mortgage Revenue Bonds (MMRB) and 4% Housing Tax Credits to assist in the rehabilitation of two rental Developments, Timber Sound (80 units) and Timber Sound II (160 units), serving low-income families in Orange County, Florida. On February 16, 2022, Florida Housing received a petition for waiver of Rule 67-21.003(8)(j) (the “Petition”) requesting a waiver of the Rule to allow Petitioner to reduce its MMRB set-aside of 85% (204 units) of the units rented to tenants at or below 60% area median income (“AMI”) to 40% (96 units) at or below 60% AMI, with a net result of reducing the Total Set-Aside Percentage from 100% of the units (240 units) to 55% of the units (132 units). A copy of the Petition is attached as [Exhibit F](#).

2. **Present Situation**

- a) Rule 67-21.003(8)(j), Florida Administrative Code (2015), provides in relevant part:

(8) Notwithstanding any other provision of these rules, there are certain items that must be included in the Application and cannot be revised, corrected or supplemented after the Application is deemed complete. Those items are as follows:

...

(j) The Total Set-Aside Percentage as stated in the last row of the total set-aside breakdown chart for the program(s) applied for in the Set-Aside Commitment section of the Application; notwithstanding the foregoing, the Total Set-Aside Percentage may be increased after the Applicant has been invited to enter Credit Underwriting, subject to written request of an Applicant to Corporation staff and approval of the Corporation. With regard to said approval, the Corporation shall consider the facts and circumstances, inclusive of each Applicant’s request, in evaluating whether the changes made are prejudicial to the Development or to the market to be served by the Development;

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- b) The MMRB Land Use Restriction Agreement (“LURA”) required at least 40% (96 units) of the units be rented to tenants with incomes equal to or less than 60% of AMI, however, Petitioner agreed to set-aside 100% (240 units) of the units for rental to tenants with AMI of 60% or less. Of the 100% (240 units) that are set-aside, 15% (36 units) of the units are to be rented to tenants with 40% AMI or less and the remaining 85% (204 units) of the units are to be rented to tenants with 60% AMI or less. The Development consist of two phases, Timber Sound and Timber Sound II, which was previously funded using housing credits and each phase was subject to an Extended Low-Income Housing Agreement (“ELIHA”). The initial ELIHAs required a set-aside of 15% of units at 35% AMI and 85% of units at 60% AMI.
- c) Petitioner cannot comply with the MMRB LURA set-asides because some tenants who qualified under the initial ELIHA when they moved into the Development have had income increases over the years and because of that, 21 tenants do not meet the MMRB LURA thresholds. These tenants nonetheless qualify to remain in the Development under Section 42 of the Internal Revenue Code since their incomes are less than the 140% AMI threshold for remaining.
- d) The MMRB LURA does allow a "Transition Period" of 12 months to the extent that the Development does not meet the requirements on the Closing Date, but Petitioner does not want to violate the Fair Housing Act nor the Corporation's policies by forcing these residents from their homes. When over-income residents voluntarily move out, they will be replaced with income-qualified tenants. In the meantime, Petitioner must request a waiver to allow the Development's overall set-aside percentage to be reduced because full compliance cannot be achieved, otherwise, Petitioner would be forced to eject residents from their homes. Petitioner does not want to displace these tenants, as a matter of compassion as well as a matter of remaining in compliance with the Fair Housing Act.
- e) Further, the waiver will allow residents to remain in their homes until they voluntarily move out or their incomes exceed the 140% threshold imposed by Section 42 of the Internal Revenue Code.
- f) On February 17, 2022, Notice of the Petition was published in the Florida Administrative Register in Volume 48, Number 33. To date, Florida Housing has received no comments concerning the Petition.
- g) Section 120.542(2), Florida Statutes provides in pertinent part:

Variations and waivers shall be granted when the person subject to the rule demonstrates that the purpose of the underlying statute will be or has been achieved by other means by the person and when application of a rule would create a substantial hardship or would violate principles of fairness.

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### *Consent*

- h) Granting the requested waiver would not have any impact on other participants in funding programs administered by Florida Housing, nor would it have a detrimental impact on Florida Housing. Petitioner has demonstrated that the waiver is needed because of circumstances beyond its control, and that it would suffer a substantial hardship if the waiver is not granted. Petitioner has also demonstrated that the purpose of the underlying statute, which is to “encourage development of low-income housing in the state” (§420.5099, Fla. Stat.), would still be achieved if the waiver is granted.

### 3. **Recommendation**

- a) Staff recommends the Board **GRANT** Petitioner’s request for a waiver of 67-21.003(8)(j), Fla. Admin. Code (2015) to allow Petitioner to reduce its MMRB LURA set-aside of 85% (204 units) of the units rented to tenants at or below 60% AMI to 40% (96 units) at or below 60% AMI, with a net result of reducing the Total Set-Aside Percentage from 100% of the total units (240 units) to 55% of the units (132 units).

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*Consent*

**G. In Re: Heritage Preservation, LP - FHFC Case No. 2022-021VW (RFA 2018-113/App. No. 2019-133C)**

<b>Development Name: (“Development”):</b>	<b>Heritage Apartments</b>
<b>Developer/Principal: (“Developer”):</b>	<b>Royal American Properties, LLC / Joseph F Chapman IV</b>
<b>Number of Units: 50</b>	<b>Location: Walton County</b>
<b>Type: Garden Apartments; Acquisition and Preservation</b>	<b>Set Asides: 20% at 40% AMI 80% at 60% AMI</b>
<b>Demographics: Family</b>	<b>Funding: 9% HC: \$420,000</b>

**1. Background**

- a) Petitioner successfully applied for competitive housing credits in RFA 2018-113 to assist in financing the acquisition and rehabilitation of a 50-unit development, Heritage Apartments, located in Walton County, Florida (the “Development”). On February 16, 2022, Florida Housing received a Petition for Waiver of Rule 67-48.002(96) and for Waiver of Qualified Allocation Plan (the “Petition”) to allow Petitioner to waive the timing requirements found in the 2018 QAP to exchange its 2019 housing credits now for an immediate allocation of 2022 housing credits. A copy of the Petition is attached as [Exhibit G](#).

**2. Present Situation**

- a) Rule 67-48.002(96) Fla. Admin. Code (2018), adopts and incorporates the 2018 QAP.
- b) Subsection II.K of the 2018 QAP states:

Notwithstanding any other provision of this QAP, where a Development has not been placed in service by the date required pursuant to Section 42 of the IRC, or it is apparent that a Development will not be placed in service by the date required pursuant to Section 42 of the IRC, and such failure is due to circumstances beyond the Applicant’s control, and the Applicant has returned its Housing Credit Allocation in the last calendar quarter of the year in which it was otherwise required to be placed in service pursuant to Section 42 of the IRC, the Corporation may reserve allocation in an amount not to exceed the amount of Housing Credits returned, and may issue a Carryover Allocation Agreement allocating such Housing Credits to the Applicant for either the current year or the year after the year in which the Development was otherwise required to be placed in service pursuant to Section 42 of the IRC, provided the following conditions have been met: (i) the sponsor must have provided written notice to the Corporation, describing the circumstances, all remedial measures attempted by the Applicant to mitigate the delay, and any other pertinent information, prior to returning the allocation; and (ii) the Executive Director must find and determine that the delay was caused by circumstances beyond the Applicant’s control, that the sponsor exercised due diligence in seeking to resolve the circumstances causing delay, that the Development in all respects, except time placed in service, still meets the conditions upon which the Housing Credits were

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originally allocated, and that the Development is still desirable in terms of meeting affordable housing needs. A Development located in a HUD-designated DDA or QCT at the time of original allocation may retain its designation as such.

- c) Petitioner requests a waiver of the timing requirements found in the 2018 QAP to permit an exchange of credits now instead of waiting until the last quarter of 2022. On March 4, 2019, Petitioner was invited into credit underwriting. On August 12, 2019, Petitioner entered into a Carryover Agreement for the allocation of its Tax Credits. Under the original Carryover Agreement, the Petitioner was to submit site control documentation and its 10% test certification by January 31, 2020; the Development was to commence construction by April 30, 2020; and the Development was to be placed in service no later than July 31, 2021. After multiple extensions to the above-mentioned dates, by request of the Petitioner under the Revenue Procedure 2014-49, Florida Housing extended the Petitioner's deadline for its placed in service date to December 31, 2022.
- d) As of January 31, 2021, the 10% test has been met, and site control documentation, construction commencement and limited partnership agreement deadlines are currently January 31, 2022 and Petitioner has submitted a request to further extend these deadlines.
- e) In support of its request for a permanent waiver, Petitioner states that over the last year the Development has suffered unforeseen events that have caused delays. Petitioner has encountered delays in assuming an existing RD515 loan provided by the United States Rural Development Administration ("RD") due to reorganization. The delays due to reorganization were further exacerbated by the Covid-19 and its related remote work issues, despite regular follow up by Petitioner. Additionally, the underwriting process has been delayed due to multiple transfers of Petitioner's application between RD underwriters and removal of employees.
- f) Petitioner's application was assigned to its current RD Underwriter in December 2020 and is currently progressing to finalizing its transfer documentation. Once finalized, there are additional steps until closing, which is anticipated to require an additional sixty to ninety days. Accordingly, based upon Petitioner's projected closing timeline and construction schedule, it will be unable to meet its current placed in service deadline of December 31, 2022. Due to the foregoing, Petitioner's syndicator is requiring a credit swap prior to closing as opposed to waiting till the fourth quarter of 2022. Accordingly, Petitioner requests this waiver from the credit swap timing requirements contained within the 2018 QAP in order to continue moving towards a closing, otherwise the redevelopment and preservation of the Development will not occur.
- g) On February 17, 2022 Notice of the Petition was published in the Florida Administrative Register in Volume 48, Number 33. To date, Florida Housing has received no comments concerning the Petition.
- h) Section 120. 542(2), Florida Statutes provides in pertinent part:

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Variations and waivers shall be granted when the person subject to the rule demonstrates that the purpose of the underlying statute will be or has been achieved by other means by the person and when application of a rule would create a substantial hardship or would violate principles of fairness.

- i) Granting the requested waiver would not impact other participants in funding programs administered by Florida Housing, nor would it detrimentally impact Florida Housing. Petitioner has demonstrated that it would suffer a substantial hardship if the waiver is not granted. Petitioner has also demonstrated that the purpose of the underlying statute, which is to “encourage development of low-income housing in the state” (§420.5099, Fla. Stat.), would still be achieved if the waiver is granted.

### 3. **Recommendation**

- a) Staff recommends the Board **GRANT** Petitioner’s request for a waiver of Rule 67-48.002(96), F.A.C. (2018) and the timing requirements in Subsection II.K of the 2018 QAP, to permit Petitioner to exchange its 2019 housing credits for an allocation of 2022 housing credits and thereby extend the associated deadlines.



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H. In Re: Liberty Square Phase Four, LLC - FHFC Case No. 2022-016VW

<b>Development Name: (“Development”):</b>	<b>Liberty Square Phase Four</b>
<b>Developer/Principal: (“Developer”):</b>	<b>Alberto Milo, Jr./Related Group</b>
<b>Number of Units: 110</b>	<b>Location: Miami-Dade</b>
<b>Type: Workforce</b>	<b>Set Asides: 15.45%@30% AMI 30.91%@50% AMI 30.91%@70% AMI 22.73%@80% AMI</b>
<b>Demographics:</b>	<b>Funding: \$3,250,000 SAIL (requested) \$28,000,000 MMRB \$1,257,004 4% LIHTC</b>

1. **Background**

- a) On February 14, 2022, Florida Housing received a Petition for Waiver of Rule 67-48.0072(21)(b) Fla. Admin. Code (Rev. 7-11-19) from Petitioner. A copy of the Petition is attached as [Exhibit H](#). Petitioner successfully applied for funding under RFA 2020-208 – SAIL and Housing Credit Financing For the Construction of Workforce Housing.

2. **Present Situation**

- a) Rule 67-48.0072(21)(b), Fla. Admin. Code (Rev. 7-11-19) (the “Rule”), states in relevant part:

For SAIL, EHCL, and HOME, unless stated otherwise in a competitive solicitation, the firm loan commitment must be issued within twelve (12) months of the Applicant's acceptance to enter credit underwriting. Unless an extension is approved by the Corporation in writing, failure to achieve issuance of a firm loan commitment by the specified deadline shall result in withdrawal of the preliminary commitment. Applicants may request one (1) extension of up to six (6) months to secure a firm loan commitment. All extension requests must be submitted in writing to the program administrator and contain the specific reasons for requesting the extension and shall detail the time frame to achieve a firm loan commitment. In determining whether to grant an extension, the Corporation shall consider the facts and circumstances of the Applicant's request, inclusive of the responsiveness of the Development team and its ability to deliver the Development timely. The Corporation shall charge a non-refundable extension fee of one (1) percent of each loan amount if the request to extend the credit underwriting and firm loan commitment process beyond the initial twelve (12) month deadline is approved. If an approved extension is utilized, Applicants must pay the extension fee not later than seven (7) Calendar Days after the original twelve (12) month deadline. If, by the end of the extension period, the Applicant has not received a firm loan commitment, then the preliminary commitment shall be withdrawn.

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- b) Petitioner requests a waiver of the above Rule to extend the firm loan commitment deadline from April 26, 2022 to October 26, 2022 (six months). Petitioner entered Credit Underwriting in October 2020 and subsequently requested and paid the required fee for a six-month extension as provided by the Rule. The Board granted this request in June 2021, extending the deadline to April 26, 2022.
- c) Despite working closely with the Housing Finance Authority of Miami-Dade County (MDHFA) to finalize the Credit Underwriting report, MDHFA required revisions to address the relocation of public housing residents to the Development, as well as related design changes. While Petitioner believes the Credit Underwriting report will be approved by Florida Housing's Board on June 17, 2022, the firm commitment loan deadline will expire prior to this Board meeting, and the Corporation cannot issue a firm loan commitment until the Credit Underwriting report is approved. Petitioner therefore requests a waiver of the Rule to extend the firm loan commitment deadline beyond the June meeting of the Board.
- d) On February 15, 2022 the Notice of Petition was published in the Florida Administrative Register in Volume 48, Number 31. To date, Florida Housing has received no comments concerning the Petition.
- e) Section 120.542(2), Florida Statutes provides in pertinent part:

Variances and waivers shall be granted when the person subject to the rule demonstrates that the purpose of the underlying statute will be or has been achieved by other means by the person and when application of a rule would create a substantial hardship or would violate principles of fairness.
- f) Granting the requested waiver would not have any impact on other participants in funding programs administered by Florida Housing, nor would it have a detrimental impact on Florida Housing or the Development. Petitioner has demonstrated that strict application of the above Rules under these circumstances would constitute a substantial hardship. Petitioner has also demonstrated that the purpose of the underlying statute, which is to "encourage development of low-income housing in the state" (§420.5099, Fla. Stat.), would still be achieved if the waiver is granted.

### 3. **Recommendation**

- a) Staff recommends the Board **GRANT** Petitioner's request for a waiver of Rule 67-48.0072(21)(b), Fla. Admin. Code (Rev. 7-11-19) to extend its firm loan commitment date to October 26, 2022.

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*Consent*

**I. In Re: San Alfonso Housing, Inc. - FHFC Case No. 2022-019VW**

<b>Development Name: (“Development”):</b>	<b>Casa San Alfonso</b>
<b>Developer/Principal: (“Developer”):</b>	<b>National Development/Matt Miller</b>
<b>Number of Units: 24</b>	<b>Location: Hardee</b>
<b>Type: Single Family Homes</b>	<b>Set Asides:</b>
<b>Demographics: Single Family</b>	<b>Funding: \$5,450,000 HOME (req.) \$810,000 HOME viability (req.)</b>

**1. Background**

- a) On February 15, 2022, Florida Housing received a Petition for Waiver of Rule 67-48.004(3)(i), Florida Administrative Code from Petitioner. A copy of the Petition is attached as [Exhibit I](#). In November 2020 Petitioner applied for funding under RFA 2020-206 – HOME Financing for the Construction of Small, Rural Developments and was invited into Credit Underwriting in March 2021.

**2. Present Situation**

- a) Rule 67-48.004, Fla. Admin. Code (the “Rule”), states in relevant part:
- (3) For the SAIL, HOME and Housing Credit Programs ... the following items as identified by the Applicant in the Application must be maintained and cannot be changed by the Applicant after the applicable submission, unless otherwise approved below:
- (i) Total number of units; ...
- b) Petitioner requests a waiver of the above Rule to reduce the number of units submitted in its Application from 24 to 21. As grounds for this request, Petitioner reports that it began experiencing construction cost overruns in April 2021, necessitating a revised budget. Further cost overruns resulted in meetings with Corporation staff and the offer of a viability HOME loan (\$810,000) to address the financing shortfalls. Despite these and other measures, including a redesign of the site, deferral of more than 40% of the developer fee and requests for additional local government funding, the unexpected cost increases continue to threaten the viability of the Development. With no additional funding currently available, Petitioner reports it must reduce the number of units to ensure the Development remains financially feasible.
- c) On February 16, 2022 the Notice of Petition was published in the Florida Administrative Register in Volume 48, Number 33. To date, Florida Housing has received no comments concerning the Petition.
- d) Section 120.542(2), Florida Statutes provides in pertinent part:
- Variances and waivers shall be granted when the person subject to the rule demonstrates that the purpose of the underlying statute will be or has been achieved by other means by the person and when application of a rule would create a substantial hardship or would violate principles of fairness.

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- e) Granting the requested waiver would not have any impact on other participants in funding programs administered by Florida Housing, nor would it have a detrimental impact on Florida Housing or the Development. Petitioner has demonstrated that strict application of the above Rules under these circumstances would constitute a substantial hardship. Petitioner has also demonstrated that the purpose of the underlying statute, which is to “encourage development of low-income housing in the state” (§420.5099, Fla. Stat.), would still be achieved if the waiver is granted.

### 3. **Recommendation**

- a) Staff recommends the Board **GRANT** Petitioner’s request for a waiver of Rule 67-48.004(3)(i), Fla. Admin. Code (2020) to permit Petitioner to reduce the number of units in the Development from 24 to 21.

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J. In Re: Quail Roost Transit Village I, Ltd. - FHFC Case No. 2022-020VW

<b>Development Name: (“Development”):</b>	<b>Quail Roost Transit Village I</b>
<b>Developer/Principal: (“Developer”):</b>	<b>Howard D. Cohen/Atlantic-Pacific</b>
<b>Number of Units: 200</b>	<b>Location: Miami-Dade</b>
<b>Type: High-Rise</b>	<b>Set Asides: 15%@30% AMI 20%@50% AMI 10%@60% AMI 45%@70% AMI 10%@80% AMI</b>
<b>Demographics: Workforce</b>	<b>Funding: \$6,500,000 SAIL</b>

1. **Background**

- a) On February 16, 2022, Florida Housing received a Petition for Waiver of Rules 67-48.0072(4)(c) and 21(b) Fla. Admin. Code from Petitioner. A copy of the Petition is attached as [Exhibit J](#). Petitioner successfully applied for funding under RFA 2020-208 – SAIL and Housing Credit Financing for the Construction of Workforce Housing.

2. **Present Situation**

- a) Rule 67-48.0072, Fla. Admin. Code (2021), states in relevant part:

(4) If the invitation to credit underwriting is accepted:

...

(c) For SAIL, EHCL, and HOME, the credit underwriting process must be completed within the time frame outlined in subsection 67-48.0072(21), F.A.C., below and the loan must close within the time frame outlined in subsection 67-48.0072(26), F.A.C., below.

...

(21) Information required by the Credit Underwriter shall be provided as follows:

...

(b) For SAIL, EHCL, and HOME, unless stated otherwise in a competitive solicitation, the firm loan commitment must be issued within twelve (12) months of the Applicant's acceptance to enter credit underwriting. Unless an extension is approved by the Corporation in writing, failure to achieve issuance of a firm loan commitment by the specified deadline shall result in withdrawal of the preliminary commitment. Applicants may request one (1) extension of up to six (6) months to secure a firm loan commitment. All extension requests must be submitted in writing to the program administrator and contain the specific reasons for requesting the extension and shall detail the time frame to achieve a firm loan commitment. In determining whether to grant an extension, the Corporation shall consider the facts and circumstances of the Applicant's request, inclusive of the

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responsiveness of the Development team and its ability to deliver the Development timely. The Corporation shall charge a non-refundable extension fee of one (1) percent of each loan amount if the request to extend the credit underwriting and firm loan commitment process beyond the initial twelve (12) month deadline is approved. If an approved extension is utilized, Applicants must pay the extension fee not later than seven (7) Calendar Days after the original twelve (12) month deadline. If, by the end of the extension period, the Applicant has not received a firm loan commitment, then the preliminary commitment shall be withdrawn.

- b) Petitioner requests a waiver of the above Rules to extend its firm loan commitment deadline, originally scheduled for October 23, 2021. Pursuant to the Rules above, Petitioner requested a six-month extension, which was granted by the Board in October 2001, extending the firm loan commitment deadline to April 25, 2022. Petitioner now requests an additional extension to October 14, 2022.
- c) As grounds for this current request, Petitioner asserts it has experienced significant delays in the entitlement and permitting process, delays in obtaining gap financing, the HUD 221(d)(4) financing review process, as well as general delays related to the COVID-19 pandemic. Petitioner reports that because of these delays, it cannot meet the current firm loan commitment deadline of April 25, 2022.
- d) On February 17, 2022, the Notice of Petition was published in the Florida Administrative Register in Volume 48, Number 33. To date, Florida Housing has received no comments concerning the Petition.
- e) Section 120.542(2), Florida Statutes provides in pertinent part:

Variances and waivers shall be granted when the person subject to the rule demonstrates that the purpose of the underlying statute will be or has been achieved by other means by the person and when application of a rule would create a substantial hardship or would violate principles of fairness.
- f) Granting the requested waiver would not have any impact on other participants in funding programs administered by Florida Housing, nor would it have a detrimental impact on Florida Housing or the Development. Petitioner has demonstrated that strict application of the above Rules under these circumstances would constitute a substantial hardship. Petitioner has also demonstrated that the purpose of the underlying statute, which is to “encourage development of low-income housing in the state” (§420.5099, Fla. Stat.), would still be achieved if the waiver is granted.

### 3. Recommendation

- a) Staff recommends the Board **GRANT** Petitioner’s request for a waiver of Rules 67-48.0072(4)(c) and (21)(b), Fla. Admin. Code to extend its firm loan commitment deadline to October 25, 2022.

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K. In Re: Poinciana Leased Housing Associates I, LLLP - FHFC Case No. 2022-004VW

<b>Development Name: (“Development”):</b>	<b>Osprey Village</b>
<b>Developer/Principal: (“Developer”):</b>	<b>Poinciana Leased Housing Development I, LLC / Paul R. Sween</b>
<b>Number of Units: 383</b>	<b>Location: Osceola</b>
<b>Type: Mid-Rise, 4-stories / New Construction</b>	<b>Set Asides: 100% @ 60% AMI</b>
<b>Demographics: Elderly</b>	<b>Funding: 4% HC: \$4,735,360</b>

1. **Background**

- a) Petitioner, Poinciana Leased Housing Associates I, LLLP received a loan from the Osceola County Housing Finance Authority in the amount of \$60,000,000 financed by the proceeds of multifamily housing revenue bonds to assist in the construction of a 383-unit Development serving elderly persons in Osceola County. Petitioner also submitted an Application for 4% Housing Credits to assist in the construction of this Development. On January 5, 2022, Florida Housing received a Petition for Waiver of Rule 67-21.003(1)(b) F.A.C. (2021), the Non-Competitive Application Package (Rev. 3-2021) and Rule 67-21.0025(7) F.A.C. (2021) from Petitioner. A copy of the Petition is attached as [Exhibit K](#).

2. **Present Situation**

- a) Rule 67-21.003(1)(b), Fla. Admin. Code (2021) incorporates by reference the Non-Competitive Application Package (Rev. 03-2021) (“NCA”). Section A.6.a. of the NCA provides, in relevant part:

The Principal Disclosure Form must identify, pursuant to subsections 67-21.002(86) and 67-21.0025(7) and (8), F.A.C., the Principals of the Applicant and Developer(s).

- b) Rule 67-21.0025(7)(c), Fla. Admin. Code (2021) provides, in relevant part:

(7) Disclosure of the Principals of the Applicant must comply with the following:

...

(c) The Applicant must disclose all of the Principals of all the entities identified in paragraph (b) above (third principal disclosure level). Unless the entity is a trust, all of the Principals must be natural persons;...

- c) Petitioner requests a waiver of the above Rules and NCA terms to permit the submission of Principals at the third disclosure level that are not natural persons. The Applicant Principals use a structure wherein natural persons (and ultimate owners) appear at the sixth level across their broader portfolio, as part of a strategy to streamline internal accounting practices. Petitioner asserts that the gains being used to invest in this qualified opportunity zone for the Development are generated under this multi-level structure and that continuing this structure is necessary to prove out the gains in the qualified opportunity

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### *Consent*

fund and to make the Principals' internal accounting manageable. Petitioner also asserts that the capital contributed to fund the Development as an opportunity zone investment was contributed at the closing of the financing for the Development. If Petitioner is not granted this waiver and needs to modify the structure now that the capital has been contributed, it would be both costly and jeopardize the qualified opportunity fund investment and potentially incur additional tax penalties on the taxpayers. These financial hardships would affect the Petitioner's ability to construct the Development.

- d) Notwithstanding Dominion's described typical structure, Florida Housing Finance Corporation expects even Applicants for non-competitive resources to comply with its principal disclosure requirements. The recommendation for approval of this waiver is solely limited to the circumstance of the Development being located in an opportunity zone. Should Dominion decide to continue to proceed with closing transactions financed with local tax-exempt bonds in a manner that is contrary to Florida Housing Rules applicable to 4% housing credits, Dominion fully bears the risk of Florida Housing denying future requests for Rule waiver relief.
- e) On January 7, 2022 the Notice of Petition was published in the Florida Administrative Register in Volume 48, Number 07. To date, Florida Housing has received no comments concerning the Petition.
- f) Section 120.542(2), Florida Statutes provides in pertinent part:

Variances and waivers shall be granted when the person subject to the rule demonstrates that the purpose of the underlying statute will be or has been achieved by other means by the person and when application of a rule would create a substantial hardship or would violate principles of fairness.
- g) Granting the requested waiver would not have any impact on other participants in funding programs administered by Florida Housing, nor would it have a detrimental impact on Florida Housing or the Development. Petitioner has demonstrated that strict application of the above Rules under these circumstances would constitute a substantial hardship. Petitioner has also demonstrated that the purpose of the underlying statute, which is to "encourage development of low-income housing in the state" (§420.5099, Fla. Stat.), would still be achieved if the waiver is granted.

### 3. **Recommendation**

- a) Staff recommends the Board **GRANT** Petitioner's request for a waiver of Rule 67-21.0025(7)(c) and 67-21.003(1)(b), Fla. Admin. Code and the cited portion of the Non-Competitive Application Package to permit Petitioner to submit a Principal Disclosure Form modified as necessary to allow disclosure of all natural person principals by the sixth (6<sup>th</sup>) disclosure level.



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**L. In Re: Meadow Park Apartments, LLC - FHFC Case No. 2022-018VW**

<b>Development Name: (“Development”):</b>	<b>Meadow Park</b>
<b>Developer/Principal: (“Developer”):</b>	<b>National Development/Matt Miller</b>
<b>Number of Units: 27</b>	<b>Location: DeSoto</b>
<b>Type: Single Family</b>	<b>Set Asides:</b>
<b>Demographics:</b>	<b>Funding: \$5,350,000 HOME (requested) \$920,000 HOME viability (req)</b>

**1. Background**

- a) On February 15, 2022, Florida Housing received a “Petition for Waiver of Rule 67-48.004(3)(d) & (i) Florida Administrative Code, Section Four A.3.c.(3) of RFA 2020-206.” A copy of the Petition is attached as [Exhibit L](#). In November 2020 Petitioner successfully applied for financing in response to RFA 2020-206 HOME Financing for the Construction of Small, Rural Developments (the “RFA”). Petitioner was invited into Credit Underwriting in March 2021.

**2. Present Situation**

- a) Rule 67-48.004(3), Fla. Admin. Code (2020) provides, in relevant part:
  - (3) For the SAIL, HOME and Housing Credit programs, notwithstanding any other provision of these rules, the following items as identified by the Applicant after the applicable submission, unless provided otherwise below...
  - (d) Applicant applying as Non-Profit or for-profit organization, unless provided otherwise in a competitive solicitation; ...
  - (i) Total number of units; ...
- b) Petitioner requests a waiver of the above Rules to permit changes to the Applicant’s and the Developer’s ownership structure, to reduce the number of units in the Development, and to change its Applicant status to Non-Profit.
- c) Petitioner reports that it began experiencing construction cost overruns in April 2021, necessitating a revised budget. Further cost overruns resulted in meetings with Corporation staff and the offer of a viability HOME loan (\$920,000) to address the financing shortfalls.
- d) Additionally, during Credit Underwriting, it became apparent that the Development was not viable due to the first mortgage debt sizing requirements for HOME in Rule 67-48.0072(11), Fla. Admin. Code. This Rule requires that the minimum debt service coverage be 1.10x on HOME interest plus all superior debt service. As a for-profit Applicant, Petitioner is subject to a 1.5 percent per annum interest rate on the HOME loan principal under Rule 67-48.020(2)(a), Fla. Admin. Code. Under these conditions, Petitioner asserts it cannot achieve the required HOME Debt Sizing, even with the deferral of 100% of the

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developer fee, and that the Development will not be financially feasible as a result.

- e) In consultation with Corporation staff, Petitioner proposes to address this situation by admitting a qualified section 501(c)(3) Non-Profit entity as manager and member of the Petitioner, and to add this entity as a co-Developer entitled to 25 percent of the Developer Fee. This Non-Profit entity will own a 99 percent equity interest in Petitioner. The current owner of Petitioner and its sole member and manager, Meadow Park Inc., would then own a 1 percent equity interest in Petitioner and act as co-manager with the Non-Profit entity. Approval of this proposed restructuring would establish Petitioner as a Non-Profit Applicant eligible for a 0 percent interest rate under Rule 67-48.020(d), Fla. Admin. Code.
- f) Petitioner also requests a reduction in the number of units from 27 to 23, citing continuing construction cost overruns. With no additional funding available, Petitioner deferred more than 40 percent of its Developer Fee and redesigned the Development but asserts it cannot complete the development with 27 affordable units with current resources. Petitioner also requests staff approval of a waiver of Section Four A.3.c.(3) of the RFA, which governs changes to the Applicant entity, to add the Non-Profit entity to its ownership structure.
- g) On February 17, 2022 the Notice of Petition was published in the Florida Administrative Register in Volume 48, Number 33. To date, Florida Housing has received no comments concerning the Petition.
- h) Section 120.542(2), Florida Statutes provides in pertinent part:
  - (1) Variances and waivers shall be granted when the person subject to the rule demonstrates that the purpose of the underlying statute will be or has been achieved by other means by the person and when application of a rule would create a substantial hardship or would violate principles of fairness.
- i) Granting the requested waiver would not have any impact on other participants in funding programs administered by Florida Housing, nor would it have a detrimental impact on Florida Housing or the Development. Petitioner has demonstrated that strict application of the above Rules under these circumstances would constitute a substantial hardship. Petitioner has also demonstrated that the purpose of the underlying statute, which is to “encourage development of low-income housing in the state” (§420.5099, Fla. Stat.), would still be achieved if the waiver is granted.

### 3. **Recommendation**

- a) Staff recommends the Board **GRANT** Petitioner’s request for a waiver of Rule 67-48.004(3)(d) and (i) to reduce the number of affordable units in the Development from 27 to 23, and **GRANT** Petitioner’s request to add a Non-Profit entity to the Development ownership structure as described in the Petition. Contingent on the granting of the above, staff will approve the changes per the RFA terms.

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M.	In Re: HTG Lafayette, LLC	FHFC Case No. 2022-009VW
	HTG Fiori, LLC	2022-010VW
	HTG Oak Valley, Ltd.	2022-011VW
	HTG Heron Estates Family, LLC	2022-012VW
	HTG Valencia II, Ltd.	2022-013VW
	HTG Banyan, LLC	2022-014VW
	HTG Rainbow Housing, Ltd.	2022-015VW

<b>Development Name: (“Development”):</b>	<b>Various</b>
<b>Developer/Principal: (“Developer”):</b>	<b>Housing Trust Group Matthew Rieger</b>
<b>Number of Units: various</b>	<b>Location: Palm Beach, Lake, Miami-Dade, Marion, Leon, and Broward Counties</b>
<b>Type: Various</b>	<b>Set Asides: Various</b>
<b>Demographics: Various</b>	<b>Funding: Various</b>

1. **Background**

- a) On February 9, 2022, Florida Housing received 7 Petitions for Waiver of Rules 67-49.002(9), 67-48.002(93), 67-48.002(94), 67-21.002(9), and 67-21.002(85), Fla. Admin. Code (2017 and 2018), for 7 Developments funded through various RFAs from 2018. These rules required the disclosure of all natural person Principals by the third disclosure level. Copies of the Petitions are attached as Exhibits [M](#), [N](#), [O](#), [P](#), [Q](#), [R](#), and [S](#).
- b) For estate planning purposes, each Petitioner would like to insert a newly created limited liability company at the second disclosure level flowing from Petitioner’s manager and Petitioner’s non-investor member. This would cause the trusts (currently disclosed at the second principal disclosure level) to fall to the third level and the natural person principal trustees and beneficiaries would not be disclosed until the fourth principal disclosure level. While this is now permitted under the current version of the rules, it was not permitted at the time the applications were submitted.

2. **Present Situation**

- a) Rule 67-48.002(9) and (94), Fla. Admin. Code (2018) provide, in relevant part:
 

(9) “Applicant” means any person or legal entity of the type and with the management and ownership structure described herein that is seeking a loan or funding from the Corporation by submitting an Application or responding to a competitive solicitation pursuant to Rule Chapter 67-60, F.A.C., for one or more of the Corporation’s programs. . . . Unless otherwise stated in a competitive solicitation, as used herein, a ‘legal entity’ means a legally formed corporation, limited partnership or limited liability company with a management and ownership structure that **consists exclusively of all natural persons by the third principal disclosure level.** . . . The terms ‘first principal disclosure level’ and ‘third principal disclosure level’ have the meanings attributed to them in the definition of “Principal.”

(94) “Principal” means:

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### *Consent*

- (1) (a) With respect to an Applicant that is: . . . .
2. A limited partnership, at the first principal disclosure level, any general partner or limited partner of the Applicant limited partnership, and, unless otherwise excluded at subsection 67-48.002(9), F.A.C., with respect to any general partner or limited partner of the Applicant limited partnership, at the second principal disclosure level, that is:
- a. A corporation, any officer, director, executive director, or shareholder of the corporation,
  - b. A limited partnership, any general partner or limited partner of the limited partnership,
  - c. A limited liability company, any manager or member of the limited liability company, or
  - d. A trust, any trustee of the trust and all beneficiaries of majority age (i.e.; 18 years of age) as of Application deadline, each of whom must be a natural person. Such trust shall be comprised only of trustee(s) and beneficiaries who are natural persons; and,
- with respect to any entity identified at the second principal disclosure level that is:
- e. A corporation, by the third principal disclosure level, any officer, director, executive director, or shareholder of the corporation, each of whom must be a natural person,
  - f. A limited partnership, by the third principal disclosure level, any general partner or limited partner of the limited partnership, each of whom must be a natural person,
  - g. A limited liability company, by the third principal disclosure level, any manager or member of the limited liability company, each of whom must be a natural person, or
  - h. A trust, any trustee of the trust and all beneficiaries of majority age (i.e.; 18 years of age) as of Application deadline, each of whom must be a natural person. Such trust shall be comprised only of trustee(s) and beneficiaries who are natural persons; and,
3. A limited liability company, at the first principal disclosure level, any manager or member of the Applicant limited liability company, and, unless otherwise excluded at subsection 67-48.002(9), F.A.C., with respect to any manager or member of the Applicant limited liability company, at the second principal disclosure level, that is:
- a. A corporation, any officer, director, executive director, or shareholder of the corporation,
  - b. A limited partnership, any general partner or limited partner of the limited partnership,

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c. A limited liability company, any manager or member of the limited liability company, or

d. A trust, any trustee of the trust and all beneficiaries of majority age (i.e.; 18 years of age) as of Application deadline, each of whom must be a natural person. Such trust shall be comprised only of trustee(s) and beneficiaries who are natural persons; and

with respect to any entity identified at the second principal disclosure level that is:

e. A corporation, by the third principal disclosure level, any officer, director, executive director, or shareholder of the corporation, each of whom must be a natural person,

f. A limited partnership, by the third principal disclosure level, any general partner or limited partner of the limited partnership, each of whom must be a natural person,

g. A limited liability company, by the third principal disclosure level, any manager or member of the limited liability company, each of whom must be a natural person, or

h. A trust, any trustee of the trust and all beneficiaries of majority age (i.e.; 18 years of age) as of Application deadline, each of whom must be a natural person. Such trust shall be comprised only of trustee(s) and beneficiaries who are natural persons.

(emphasis added).

- b) Rules 67-21.002(9) and (85), Fla. Admin. Code (2018) and Rule 67-48.002(93), Fla. Admin. Code (2017) are essentially identical to Rules 67-48.002(9) and (94), Fla. Admin. Code.
- c) In each of the 7 applications, the first principal disclosure level will not change. In each of the 7 applications, a newly created limited liability company will be inserted at the second disclosure level, the members of which will be trusts with natural persons as trustees and beneficiaries at the fourth disclosure level. The third principal disclosure level currently discloses the natural person principals of a trust disclosed at the second disclosure level. Inserting the newly created limited liability company at the second level will push the trusts down to the third principal disclosure level and the natural person principal trustees and beneficiaries to the fourth principal disclosure level. It should also be noted that two trusts are being removed from the organizational structures (the Matthew Rieger Trust dated 02/28/2017 and the Randy Rieger Rev Trust dated 12/08/2005) and are being replaced with four trusts (the Matthew A. Rieger Family Trust, the Matthew A. Rieger Irrevocable MGM Trust, the Gina Rieger Irrevocable MGM Trust and the Meredith Branciforte Irrevocable MGM Trust). The details of the proposed new organizational structures are spelled out in each of the 7 petitions.

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- d) Petitioners wish to make these organizational changes for estate planning purposes so that the trusts can be held by a limited liability company. If the waiver requests are denied, the members of the applicant entities will suffer a substantial and unnecessary operational hardship. As noted above, Florida Housing revised its rules in 2019 to expressly permit these same organizational structures.
- e) On February 10, 2022, Notice of the Petitions for HTG Banyan, LLC, HTG Fiori, LLC, HTG Heron Estates Family, LLC, HTG Lafayette, LLC, HTG Oak Valley, Ltd., HTG Rainbow Housing, Ltd., and HTG Valencia II, Ltd. were published in the Florida Administrative Register in Volume 48, Number 28. To date, Florida Housing has received no comments concerning the Petition.
- f) Section 120.542(2), Florida Statutes provides in pertinent part:

Variances and waivers shall be granted when the person subject to the rule demonstrates that the purpose of the underlying statute will be or has been achieved by other means by the person and when application of a rule would create a substantial hardship or would violate principles of fairness.
- g) Granting the requested waivers would not have any impact on other participants in funding programs administered by Florida Housing, nor would it have a detrimental impact on Florida Housing. Petitioners have demonstrated that they would suffer substantial hardships if the waivers are not granted. Petitioners have also demonstrated that the purpose of the underlying statute, which is to “encourage development of low-income housing in the state” (§420.5099, Fla. Stat.), would still be achieved if the waivers are granted.

### 3. **Recommendation**

- a) Staff recommends the Board **GRANT** Petitioners’ requests for waivers of Rules 67-48.002(9) and (94) and Rules 67-21.002(9) and (85), Fla. Admin. Code (2018) and Rules 67-48.002(9) and (93), Fla. Admin. Code (2017), so that each Petitioner may insert a newly created limited liability company at the second disclosure level causing the trusts to be disclosed at the third principal disclosure level and the natural person principal trustees and beneficiaries to be disclosed at the fourth principal disclosure level

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*Consent*

N. **In Re: SP Park, LLC - FHFC Case No. 2022-023VW (RFA 2016-109/2016-388BS)**

<b>Development Name: (“Development”):</b>	<b>Cedar Park</b>
<b>Developer/Principal: (“Developer”):</b>	<b>Southport Development, Inc. d/b/a Southport Development Services, Inc./J. David Page</b>
<b>Number of Units: 72</b>	<b>Location: Columbia County</b>
<b>Type: Garden Apartments; Acquisition and Rehabilitation</b>	<b>Set Asides: 30% at 45% AMI 70% at 60% AMI</b>
<b>Demographics: Family</b>	<b>Funding: MMRB: \$6,000,000 SAIL: \$3,200,000 ELI: \$272,300 4% HC: \$370,000</b>

**1. Background**

- a) Petitioner successfully applied for Multifamily Mortgage Revenue Bonds (“MMRB”), State Apartment Incentive Loan (“SAIL”) funding, Extremely Low Income (“ELI”) loan funding, and non-competitive housing credits (collectively referred to as the “Financing”) to assist in financing the acquisition and rehabilitation of Cedar Park, an affordable housing development in Columbia County, Florida. On February 16, 2022, Florida Housing received a Petition for Waiver of Rule 67-48.002(9), F.A.C. (2016) and Rule 67-48.002(9)3, F.A.C. (2016) (the “Petition”). A copy of the Petition is attached as [Exhibit T](#). On February 22, 2022, Florida Housing received an Amended Petition for Waiver of Rule 67-48.002(9), F.A.C. (2016) and Rule 67-48.002(9)3, F.A.C. (2016) (the “Amended Petition”). A copy of the Amended Petition is attached as [Exhibit U](#). Petitioner requests waiver of the requirement to disclose natural person Principals by the third Principal disclosure level.

**2. Present Situation**

- a) Rule 67-48.002(9), Fla. Admin. Code (2016), states:

(9) “Applicant” means any person or legal entity of the type and with the management and ownership structure described herein that is seeking a loan or funding from the Corporation by submitting an Application or responding to a competitive solicitation pursuant to Rule Chapter 67-60, F.A.C., for one or more of the Corporation’s programs. For purposes of Rules 67-48.0105, 67-48.0205 and 67-48.031, F.A.C., Applicant also includes any assigns or successors in interest of the Applicant. Unless otherwise stated in a competitive solicitation, as used herein, a ‘legal entity’ means a legally formed corporation, limited partnership or limited liability company with a management and ownership structure that consists exclusively of all natural persons by the third principal disclosure level. For Applicants seeking Housing Credits, the Housing Credit Syndicator/Housing Credit investor need only be disclosed at the first principal disclosure level and no other disclosure is required. The terms ‘first principal disclosure level’ and ‘third principal disclosure level’ have the meanings attributed to them in the definition of “Principal.”

(Emphasis added).

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### *Consent*

- b) Rule 67-48.002(93)(a)3 Fla. Admin. Code (2016), in relevant part, defines Principal with respect to an Applicant that is:

3. A limited liability company, at the first principal disclosure level, any manager or member of the Applicant limited liability company, and, unless otherwise excluded at subsection 67-48.002(9), F.A.C., with respect to any manager or member of the Applicant limited liability company, at the second principal disclosure level, that is:

a. A corporation, any officer, director, executive director, or shareholder of the corporation,

b. A limited partnership, any general partner or limited partner of the limited partnership,

c. A limited liability company, any manager or member of the limited liability company, or

d. A trust, any trustee of the trust and all beneficiaries of majority age (i.e.; 18 years of age) as of Application deadline, each of whom must be a natural person. Such trust shall be comprised only of trustee(s) and beneficiaries who are natural persons, and

with respect to any entity identified at the second principal disclosure level that is:

e. A corporation, by the third principal disclosure level, any officer, director, executive director, or shareholder of the corporation, each of whom must be a natural person,

f. A limited partnership, by the third principal disclosure level, any general partner or limited partner of the limited partnership, each of whom must be a natural person,

g. A limited liability company, by the third principal disclosure level, any manager or member of the limited liability company, each of whom must be a natural person, or

h. A trust, any trustee of the trust and all beneficiaries of majority age (i.e.; 18 years of age) as of Application deadline, each of whom must be a natural person. Such trust shall be comprised only of trustee(s) and beneficiaries who are natural persons.

(Emphasis added).

- c) Petitioner requests a waiver or variance from the requirement that only natural persons may be Principals at the third Principal disclosure level of the Petitioner pursuant to the above-cited Rules in order for the Current Manager to transfer its interest in the Petitioner to the Successor Manager and so that Petitioner may admit the Successor Manager to the Petitioner. In connection with a purchase and sale agreement dated October 8, 2021, the current manager/member of Petitioner (“Current Manager”) anticipates that it will transfer its interest to a successor entity (the “Prospective Transfer”). After closing on the Prospective



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Transfer, Petitioner will have nine tiers of ownership due to the equity structure of the successor manager/member (the “Successor Manager”). The Financing, which has already been closed on or disbursed to Petitioner, would survive the Prospective Transfer.

- d) Due to the complex equity structure within the corporate structure, Petitioner will not be able to meet the third level Principal disclosure requirement following the Prospective Transfer. Petitioner states that it has fully disclosed to Florida Housing the organization structure of the Successor Manager showing the full ownership at each tier. The organizational structure of the Successor Manager shows that even though there are various levels of ownership, the ultimate control of the Successor Manager, and thus Petitioner, will, after the Prospective Transfer, primarily rest with two natural persons, who will also act as non-member managers of the Successor Manager.
- e) Petitioner asserts that if the waiver request is denied that among other hardships, Petitioner would not be able to bring in Successor Manager to continue the operations of the Development in a manner that provides safe, sanitary, and affordable housing to its residents.
- f) On February 17, 2022, Notice of the Petition was published in the Florida Administrative Register in Volume 48, Number 33. To date, Florida Housing has received no comments concerning the Petition.
- g) Section 120. 542(2), Florida Statutes provides in pertinent part:

Variances and waivers shall be granted when the person subject to the rule demonstrates that the purpose of the underlying statute will be or has been achieved by other means by the person and when application of a rule would create a substantial hardship or would violate principles of fairness.
- h) Granting the requested waiver would not impact other participants in funding programs administered by Florida Housing, nor would it detrimentally impact Florida Housing. Petitioner has demonstrated that it would suffer a substantial hardship if the waiver is not granted. Petitioner has also demonstrated that the purpose of the underlying statute, which is to “encourage development of low-income housing in the state” (§420.5099, Fla. Stat.), would still be achieved if the waiver is granted.

### **3. Recommendation**

- a) Staff has reviewed the organizational structure as it will exist after the Prospective Transfer and recommends the Board **GRANT** Petitioner’s request for a waiver of Rules 67-48.002(9) and 67-48.002(9)3, Fla. Admin. Code (2016) to waive the definition of “Applicant” and “Principal” to the extent that those definitions require that only natural persons be disclosed by or at the third Principal disclosure level in order to allow the disclosure of Principals beyond the third disclosure level as stated in the Petition. It should be noted that this recommendation is supported by Staff because it is with regard to a development ownership transfer request. Staff does not intend this recommendation to serve as a precedent for waiver of principal disclosure requirements for Applicants applying for funding allocation.

## MULTIFAMILY BONDS

### Consent

#### I. MULTIFAMILY BONDS

##### A. Request Approval of Partial Release of Land for The Preserve at Emerald Villas Phase Two fka Emerald Villas Phase Two (RFA 2016-109 / 2016-367BS / 2016-565C)

<b>Development Name: The Preserve at Emerald Villas Phase Two fka Emerald Villas Phase Two</b>	<b>Location: Orange County</b>
<b>Applicant/Borrower: Emerald Villas Phase Two, LLC</b>	<b>Set-Aside(s): 10% @ 40% AMI (MMRB, SAIL, ELI &amp; 4% HC) 90% @ 60% AMI (MMRB, SAIL, &amp; 4% HC)</b>
<b>Developer/Principal: Emerald Villas Phase Two Developer, LLC / Alberto Milo, Jr.</b>	<b>Demographic/Number of Units: Elderly / 96 units</b>
<b>Requested Amounts: \$9,200,000 Multifamily Mortgage Revenue Bonds (MMRB) \$4,950,000 State Apartment Incentive Loan (SAIL) \$426,200 Extremely Low Income (ELI) \$1,231,185 Housing Credits (4% HC)</b>	<b>Development Category/Type: New Construction / Garden Apartments</b>

#### 1. Background/Present Situation

- a) Florida Housing originally financed the above referenced Development in 2020 with \$9,200,000 in tax exempt MMRB designated as 2019 Series A, \$4,950,000 in SAIL, and \$426,200 in ELI. In addition, \$1,231,185 in 4% Housing Credits were allocated to this Development. The MMRB were subsequently redeemed on August 1, 2021.
- b) The Borrower has requested Florida Housing's consent for the release of approximately 3.012 acres encumbered under the MMRB Land Use Restriction Agreement ("MMRB LURA") and the SAIL/ELI Loan Documents to allow for the development of additional affordable housing units. First Housing Development Corporation has reviewed this request and provided a positive recommendation for the partial release of collateral from the MMRB LURA and SAIL/ELI Loan Documents ([Exhibit A](#)).

#### 2. Recommendation

- a) Approve the partial release of land from the MMRB LURA and SAIL/ELI Loan Documents, subject to further approvals and verifications as necessary by the Credit Underwriter, Bond Counsel, Special Counsel, and appropriate Florida Housing staff.

MULTIFAMILY BONDS

Consent

B. Request Approval of Partial Release of Land for Brisas del Rio Apartments (RFA 2017-108 / 2018-030BSN / 2016-583C)

<b>Development Name: Brisas del Rio Apartments</b>	<b>Location: Miami-Dade County</b>
<b>Applicant/Borrower: Brisas del Rio Apartments, LLC</b>	<b>Set-Aside(s):</b> 10% @ 28% AMI (MMRN, SAIL, ELI & 4% HC) 90% @ 60% AMI (MMRN, SAIL, & 4% HC) 3.571% @ 22% AMI (NHTF)
<b>Developer/Principal: Brisas del Rio Apartments Developer, LLC / Alberto Milo, Jr.</b>	<b>Demographic/Number of Units:</b> Elderly / 168 units
<b>Requested Amounts:</b> \$19,500,000 Multifamily Mortgage Revenue Note (MMRN) \$4,346,770 State Apartment Incentive Loan (SAIL) \$600,000 Extremely Low Income (ELI) \$1,257,475 National Housing Trust Funds (NHTF) \$1,480,934 Housing Credits (4% HC)	<b>Development Category/Type:</b> New Construction / High Rise

1. **Background/Present Situation**

- a) Florida Housing originally financed the above referenced Development in 2020 with \$19,500,000 in tax exempt MMRN designated as 2020 Series B, \$4,346,770 in SAIL, \$600,000 in ELI, and \$1,257,475 in NHTF. In addition, \$1,480,934 in 4% Housing Credits were allocated to this Development.
- b) The Borrower has requested Florida Housing’s consent for the release of approximately 2.309 acres encumbered under the MMRN, SAIL, ELI, and NHTF Loan Documents to allow for the development of additional affordable housing units. First Housing Development Corporation has reviewed this request and provided a positive recommendation for the partial release of leasehold collateral from the MMRN, SAIL, ELI, and NHTF Loan Documents ([Exhibit B](#)).

2. **Recommendation**

- a) Approve the partial release of land from the MMRN, SAIL, ELI, and NHTF Loan Documents, subject to further approvals and verifications as necessary by the Credit Underwriter, Note Counsel, Special Counsel, and appropriate Florida Housing staff.

MULTIFAMILY BONDS

Consent

C. Request Approval to Execute Acknowledgment Resolution

1. Background/Present Situation

- a) Pursuant to Rule 67-21, F.A.C., the Acknowledgement Resolution is the official action taken by the Corporation to reflect its intent to finance a Development provided that the requirements of the Corporation, the terms of the MMRB Loan Commitment, and the terms of the Credit Underwriting Report are met. The resolution designates the period within which the Borrower is able to be reimbursed for allowable project costs incurred with MMRB proceeds (with such period starting 60 days prior to the adoption of the resolution).
- b) Staff requests the execution of an Acknowledgement Resolution for the proposed Developments referenced below intending to finance the acquisition, construction and/or rehabilitation of the Developments. A brief description of the Developments are detailed below. The resolutions being presented to the Board for approval are attached as Exhibit [C](#) and [E](#).

2. Recommendation

- a) Approve the execution of an Acknowledgment Resolution for the proposed Developments, as shown in the chart below.

Development Name	Name of Applicant	County	Number of Units	Applicable Application	Exhibit
Osprey Sound	Osprey Sound Apartments, L.P.	Orange County	294	Non-Competitive Application / 2021-107B	Exhibit C
The Salix on Vine	Vineland Family Apartments, Ltd.	Osceola County	252	Non-Competitive Application / 2021-110B	<a href="#">Exhibit D</a>
Jade Bridge Apartments	Jade Bridge Apartments, Ltd.	Orange County	252	Non-Competitive Application / 2021-111B	Exhibit E

## MULTIFAMILY BONDS

### Consent

**D. Request Approval of the Transfer of Ownership for Riverside Apartments (2011 Series A / 2001-119S)**

<b>Development Name: Riverside Apartments</b>	<b>Location: Pinellas County</b>
<b>Applicant/Borrower: Riverside Partners, Ltd.</b>	<b>Set Aside(s): 85% @ 60% AMI (MMRB and SAIL)</b>
<b>Developer/Principal: Waypoint Residential Services, LLC / Scott Lawlor</b>	<b>Demographic/Number of units: Family / 304 units</b>
<b>Requested Amounts: \$11,650,000 Multifamily Mortgage Revenue Bond (MMRB) \$2,500,000 State Apartment Incentive Loan (SAIL) \$659,168 Non-Competitive Housing Credits (4% HC)</b>	<b>Development Category/Type: New Construction / Garden Apartments</b>

**1. Background/Present Situation**

- a) Florida Housing originally financed the above referenced Development in 2000 with \$14,200,000 in tax exempt MMRB designated as 2000 Series I, SAIL funding in the amount of \$2,500,000 and \$659,168 in Non-Competitive Housing Credits. The Development was rehabilitated in 2011 and the MMRB loan was refunded with \$11,650,000 in tax exempt MMRB designated as 2011 Series A. Subsequently, the bonds were redeemed, and the SAIL loan was paid off in April of 2016. The Housing Credits were terminated, along with the Extended Low-Income Housing Agreement, under a Qualified Contract in June of 2017.
- b) Riverside Partners, Ltd. has requested Florida Housing's consent to the transfer of ownership of the Development to OK Riverside LLC, an affiliate of Orbach Affordable Housing Solutions LLC. Seltzer Management Group, Inc. has reviewed this request and provided a positive recommendation for the transfer and the assignment, assumption, and subordination of the MMRB and SAIL Land Use Restriction Agreements (LURAs) to the new first mortgage bridge loan provided by Berkadia Mortgage LLC ([Exhibit F](#)).

**2. Recommendation**

- a) Approve the transfer of ownership, the assignment, assumption, and subordination of the LURAs, subject to the conditions in the credit underwriting report with further approvals and verifications by the Credit Underwriter, Bond Counsel, Special Counsel, and the appropriate Florida Housing staff.

MULTIFAMILY PROGRAMS

Consent

I. MULTIFAMILY PROGRAMS

A. Request Approval of Credit Underwriting Report for Silver Pointe (RFA 2016-110 / 2017-002C / 2018-361C / 2021-290C / RFA 2018-109 / 2018-334V)

<b>Development Name: Silver Pointe</b>	<b>Location: Marion County</b>
<b>Applicant/Borrower: Silver Pointe, Ltd</b>	<b>Set-Aside(s):</b> 10% @ 45% AMI (Viability Loan & 9% HC) 90% @ 60% AMI (Viability Loan & 9% HC)
<b>Developer/Principal: Heartland Development Group, LLC / Martin M. Wohl, MHP Silver Pointe Developer, LLC / Christopher L Shear &amp; Mario A Sariol</b>	<b>Demographic/Number of Units:</b> Family/90 units
<b>Requested Amounts:</b> \$1,250,000 Development Viability Loan Funding (Viability Loan) \$1,400,000 Housing Credits (9% HC)	<b>Development Category/Type:</b> New Construction/Garden Apartments

1. Background/Present Situation

- a) On October 7, 2016, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2016-110 for Housing Credit Financing for Affordable Housing Developments located in Medium and Small Counties.
- b) On March 24, 2017, the Board approved the final scores and recommendations for RFA 2016-110 and directed staff to proceed with all necessary credit underwriting activities. The Applicant was invited into credit underwriting on August 2, 2017.
- c) On March 29, 2018, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2018-109 for Development Viability Loan Funding for Developments experiencing a reduction in equity funding for their Active Award, recognizing a funding need based on changes in market pricing, which have been exacerbated by increased construction costs due to hurricane impact and construction market changes.
- d) On May 4, 2018, the Board approved the final scores and recommendations for RFA 2018-109 and directed staff to proceed with all necessary credit underwriting activities. Staff issued a Notice of Preliminary Award to the Applicant on June 6, 2018.
- e) On November 2, 2018, the Board approved a Rule Waiver of the Applicant’s request to exchange 2017 tax credits for 2018 tax credits and a waiver of the time requirements in the 2016 Qualified Allocation Plan.
- f) On December 13, 2019, the Board approved the final credit underwriting report with a positive recommendation for funding and directed staff to proceed with the closing activities. The Borrower was issued a firm commitment for the Viability Loan on December 16, 2019.

## MULTIFAMILY PROGRAMS

### *Consent*

- g) On January 22, 2021, the Board approved a Rule Waiver request to exchange 2018 tax credits for 2021 tax credits and a waiver of the time requirements in the 2016 Qualified Allocation Plan to allow the Petitioner to exchange the credits now rather than the last calendar quarter of 2021. The Board also approved the Petitioner's request to change the Applicant Name, Applicant Principals, and Developer Principals.
- h) On February 24, 2022, staff received an updated final credit underwriting report with a positive recommendation for funding ([Exhibit A](#)). The updated report is required due to changes to the Development Team (Applicant Principals, Developer Principals, General Contractor, and Management Company). Staff has reviewed this report and finds that it meets all requirements of RFA 2016-110 and RFA 2018-109.

### 2. **Recommendation**

- a) Approve the final credit underwriting report and direct staff to proceed with issuance of a firm commitment and closing activities.

**MULTIFAMILY PROGRAMS**

*Consent*

**B. Request Approval of RFA Waiver for Firm Loan Commitment Issuance Deadline Extension for Bid-A-Wee Apartments (RFA 2019-111 / 2020-076BR / RFA 2021-211 / 2022-227V)**

<b>Development Name: Bid-A-Wee Apartments</b>	<b>Location: Bay County</b>
<b>Applicant/Borrower: Bid-A-Wee Apartments, LLC</b>	<b>Set-Asides:</b> 15.28% @ 30% AMI (RRLP, ELI, HC) 55.56% @ 60% AMI (RRLP, HC) 15.28% @ 70% AMI (RRLP, HC) 13.89% @ 80% AMI (RRLP, HC) 40% @ 60% AMI (MMRB)
<b>Developers/Principals: Bid-A-Wee Developer, LLC/James Freeman</b>	<b>Demographic/Number of Units:</b> Family/144 Units
<b>Requested Amounts:</b> \$20,000,000 Multifamily Mortgage Revenue Bonds (MMRB) \$6,114,900 Rental Recovery Loan Program (RRLP) \$1,056,300 Extremely Low Income (ELI) \$2,250,000 Development Viability Loan Funding (Viability Loan) \$1,186,730 Housing Credits (4% HC)	<b>Development Category/Type:</b> New Construction/Mid-Rise, 4-stories

**1. Background/Present Situation**

- a) On August 1, 2019, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2019-111 for Rental Recovery Loan Program (RRLP).
- b) On December 13, 2019, the Board approved the final scores and recommendations for the RFA and directed staff to proceed with all necessary credit underwriting activities.
- c) On March 6, 2020, the Board approved the Final Order resolving all pending litigation pertaining to the RFA, allowing staff to proceed with all necessary credit underwriting activities. Staff issued an invitation to enter credit underwriting to the Applicant on March 11, 2020, which states that the firm loan commitment must be issued within 12 months of the acceptance to enter credit underwriting. The acceptance was acknowledged on March 16, 2020, giving them a firm loan commitment issuance deadline of March 16, 2021. Applicants may request one (1) extension of up to 6 months to secure a firm loan commitment.
- d) On March 12, 2021, the Board approved the request to extend the firm loan commitment issuance deadline extension from March 16, 2021 to September 16, 2021. On September 10, 2021, the Board approved a RFA Waiver to extend the firm loan commitment issuance deadline from September 16, 2021 to March 16, 2022.
- e) On October 12, 2021, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2021-211 for Development Viability Loan Funding to assist Applicants that have received a recent award since 2017 but have not yet started construction or rehabilitation of their proposed Development and are experiencing a financing gap for their Active Award.



## MULTIFAMILY PROGRAMS

### *Consent*

- f) On December 10, 2021, the Board approved the final scores and recommendations for RFA 2021-211 and directed staff to proceed with all necessary credit underwriting activities. Staff issued a Notice of Preliminary Award to the Applicant on December 15, 2021.
- g) On February 11, 2022, staff received a RFA Waiver request from the Borrower for an additional extension to extend the firm loan commitment issuance deadline from March 16, 2022 to June 17, 2022 ([Exhibit B](#)). The Viability Loan award occurred just before the holidays and year end, and, along with construction and equity pricing issues, continued to affect Bid-A-Wee's ability to secure a fixed price contract. Bid-A-Wee is currently finalizing negotiations for a fixed price contract with a highly qualified general contractor, who has extensive experience building multi-family affordable rental housing in this Development's market. The requested extension will allow additional time to finalize the construction contract, complete credit underwriting, and obtain a firm loan commitment for both its RRLP and Viability Loan funding. Per the RFA, if the Applicant has not received a firm loan commitment by the extended deadline, then the preliminary commitment shall be withdrawn. Since the one extension allowed per the RFA has been approved by the Board, the additional extension request requires a RFA Waiver.

### 2. **Recommendation**

- a) Approve the RFA Waiver request for a firm loan commitment issuance deadline extension from March 16, 2022 to June 17, 2022.

**MULTIFAMILY PROGRAMS**

*Consent*

**C. Request Approval of the RFA Waiver for Addition of NHTF Funding and Firm Loan Commitment Issuance Deadline Extension for New River Landing (RFA 2019-111 / 2020-075R / RFA 2021-211 / 2022-229V)**

<b>Development Name: New River Landing</b>	<b>Location: Franklin County</b>
<b>Applicant/Borrower: MHP New River Landing LLC</b>	<b>Set-Asides: 10% @ 40% AMI (RRLP &amp; ELI) 60% @ 60% AMI (RRLP)</b>
<b>Developers/Principals: MHP New River Landing Developer, LLC/Christopher Shear</b>	<b>Demographic/Number of Units: Family/30 units</b>
<b>Requested Amounts: \$4,988,724 Rental Recovery Loan Program (RRLP) \$131,100 Extremely Low Income (ELI) \$1,200,000 Development Viability Loan Funding (Viability Loan)</b>	<b>Development Category/Type: New Construction/Single Family</b>

**1. Background/Present Situation**

- a) On August 1, 2019, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2019-111 for Rental Recovery Loan Program (RRLP)
- b) On December 13, 2019, the Board approved the final scores and recommendations for the RFA and directed staff to proceed with all necessary credit underwriting activities.
- c) On March 6, 2020, the Board approved the Final Order resolving all pending litigation pertaining to the RFA, allowing staff to proceed with all necessary credit underwriting activities. Staff issued an invitation to enter credit underwriting to the Applicant on March 11, 2020, which states that the firm loan commitment must be issued within 12 months of the acceptance to enter credit underwriting. The acceptance was acknowledged on March 12, 2020, giving them a firm loan commitment issuance deadline of March 12, 2021. Applicants may request one (1) extension of up to 6 months to secure a firm loan commitment.
- d) On March 12, 2021, the Board approved the request to extend the firm loan commitment issuance deadline from March 12, 2021 to September 12, 2021. On September 10, 2021, the Board approved a RFA Waiver request from the Borrower to extend the firm loan commitment issuance deadline from September 12, 2021 to March 14, 2022.
- e) On October 12, 2021, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2021-211 for Development Viability Loan Funding to assist Applicants that have received a recent award since 2017 but have not yet started construction or rehabilitation of their proposed Development and are experiencing a financing gap for their Active Award.
- f) On December 10, 2021, the Board approved the final scores and recommendations for RFA 2021-211 and directed staff to proceed with all necessary credit underwriting activities. Staff issued a Notice of Preliminary Award to the Applicant on December 15, 2021.

## MULTIFAMILY PROGRAMS

### *Consent*

- g) On February 10, 2022, staff received a request from the Applicant for \$520,000 additional funding from the National Housing Trust Fund (“NHTF”) ([Exhibit C](#)). The NHTF funds are needed for the development which is a thirty (30) unit single-family home community that continues to experience hardship due to increased cost of construction materials, shortage of labor within the region due to COVID-19 pandemic, and current supply chain issues. Without the requested NHTF financing, the financial feasibility of New River Landing is jeopardized. Florida Housing has a significant amount of NHTF to utilize. The additional funding will allow the development team to close the financing gap and provide the much-needed affordable housing in the community. The amount of NHTF funding needed includes two (2) 2-bedroom units at \$260,000 each totaling \$520,000. These two (2) units which are currently committed to serving 60% AMI will be deemed NHTF units committed to serving tenants at 22% AMI. The RFA under which the proposed development was awarded funding did not have the option to apply for NHTF funding, therefore a RFA Waiver is required.
- h) On February 10, 2022 staff received an RFA Waiver request from the Borrower for an additional extension to extend the firm loan commitment issuance deadline from March 14, 2022 to September 14, 2022 ([Exhibit D](#)). Since the initial extension approval, the Applicant has continued to experience challenges in relation to the construction cost, including labor and material. The Covid-19 pandemic has created further delays in the development process. Despite the challenges the developer has continued worked diligently and has devised a path forward to complete the credit underwriting process required for the issuance of firm commitment. Per the RFA, if the Applicant has not received a firm loan commitment by the extended deadline, then the preliminary commitment shall be withdrawn. Since the one extension allowed per the RFA has been approved by the Board, the additional extension request requires a RFA Waiver.

## 2. **Recommendation**

- a) Approve the RFA Waiver requests to add NHTF funding as described above and extend the firm loan commitment issuance deadline from March 14, 2022 to September 14, 2022.

**MULTIFAMILY PROGRAMS**

*Consent*

**D. Request Approval of the Addition of NHTF Funding and RFA Waiver for adding additional NHTF units for Magnolia Family (RFA 2019-116 / 2020-390S)**

<b>Development Name: Magnolia Family</b>	<b>Location: Leon County</b>
<b>Applicant/Borrower: Country Club Magnolia Family, LP</b>	<b>Set-Aside(s): 10% @ 33% AMI (SAIL, ELI &amp; 4% HC) 90% @ 60% AMI (SAIL &amp; 4% HC)</b>
<b>Developer/Principal: New Affordable Housing Partners, LLC/James S. Grauley, Tallahassee Housing Economic Corporation/ Brenda Williams</b>	<b>Demographic/Number of Units: Family/130 units</b>
<b>Requested Amounts: \$5,611,577 State Apartment Incentive Loan (SAIL) \$600,000 Extremely Low Income (ELI) \$937,747 Housing Credits (4% HC)</b>	<b>Development Category/Type: New Construction/Garden Apartments</b>

**1. Background/Present Situation**

- a) On November 6, 2019, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2019-116 for SAIL Financing of Affordable Multifamily Housing Developments to be Used in Conjunction with Tax-Exempt Bond Financing and Non-Competitive Housing Credits.
- b) On March 6, 2020, the Board approved the final scores and recommendations for the RFA and directed staff to proceed with all necessary credit underwriting activities.
- c) On July 17, 2020, the Board approved the Final Order resolving all pending litigation pertaining to the RFA, allowing staff to proceed with all necessary credit underwriting activities. Staff issued an invitation to enter credit underwriting to the Applicant on July 20, 2020, which states that the firm loan commitment must be issued within 12 months of the acceptance to enter credit underwriting. The acceptance was acknowledged on July 22, 2020, giving them a firm loan commitment issuance deadline of July 22, 2021. Applicants may request one (1) extension of up to 6 months to secure a firm loan commitment.
- d) On June 18, 2021, the Board approved a firm loan commitment deadline extension from July 22, 2021 to January 22, 2022. On December 10, 2021, the Board approved a Rule Waiver for a firm loan commitment deadline extension from January 22, 2022 to July 22, 2022.
- e) On February 16, 2022, staff received a request from the Applicant for \$1,113,000 additional funding from the National Housing Trust Fund (“NHTF”) which was available funding for Applicants of the RFA if requested during the application process ([Exhibit E](#)). A gap in funding has surfaced since application due to increases in construction pricing during the ongoing COVID-19 pandemic. Florida Housing has a significant amount of NHTF funding available to utilize. The additional funding will allow the development team to close the financing gap and provide the much-needed affordable housing in the community. The amount of NHTF funding needed includes six (6) Garden apartments at \$185,500 each, totaling \$1,113,000. Per the RFA, if the

## MULTIFAMILY PROGRAMS

### *Consent*

development is located in a Medium County, three (3) of the units committed to serving 60% AMI will be deemed NHTF Units and the units will be committed to serving 22% AMI. The Applicant will be required to develop and execute a Memorandum of Understanding (MOU) with at least one designated Special Needs Household Referral Agency. Since the Applicant is asking for funding for six (6) NHTF units instead of the three (3) units allowed per the RFA, a RFA Waiver is required.

#### 2. **Recommendation**

- a) Approve the request to add NHTF funding and RFA Waiver adding additional NHTF units as described above.

**MULTIFAMILY PROGRAMS**

*Consent*

**E. Request Approval of the RFA Waiver for Addition of NHTF Funding and Change in the General Contractor for Independence Landing (RFA 2020-106 / 2020-450CG)**

<b>Development Name: Independence Landing</b>	<b>Location: Leon County</b>
<b>Applicant/Borrower: Independence Landing, LLC</b>	<b>Set-Asides: 15% @ 33% AMI (Grant &amp; 9% HC) 85% @ 60% AMI (Grant 9% HC)</b>
<b>Developers/Principals: Southport Community Development, Inc./J. David Page, Independence Developer, LLC/Gil Ziffer</b>	<b>Demographic/Number of Units: Persons with Development Disabilities/ 60 units</b>
<b>Requested Amounts: \$4,000,000 Grant \$1,620,000 Housing Credits (9% HC)</b>	<b>Development Category/Type: New Construction/Garden Apartments</b>

**1. Background/Present Situation**

- a) On February 25, 2020, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2020-106 Financing for the Development of Housing for Persons with A Disabling Condition or Developmental Disabilities.
- b) On June 11, 2020, the Board approved the final scores and recommendations for the RFA and directed staff to proceed with all necessary credit underwriting activities.
- c) On July 9, 2020, staff issued an invitation to enter credit underwriting to the Applicant, which states that the firm loan commitment must be issued within 12 months of the acceptance to enter credit underwriting. The acceptance was acknowledged on July 13, 2020, giving them a firm loan commitment issuance deadline of July 13, 2021.
- d) On June 18, 2021, the board approved the credit underwriting report and directed staff to proceed with closing activities subject to further approvals and verifications by the Credit Underwriter, Special Counsel, and the appropriate Florida Housing staff.
- e) On January 4, 2022, staff received a request to add \$2,200,000 in National Housing Trust Fund (“NHTF”) ([Exhibit F](#)). In connection to the COVID-19 pandemic, construction material costs have significantly increased while supply shortages continue. This has resulted in substantial increases in the total construction hard costs for this development. Additionally, the volatility in the equity and debt markets have resulted in lower equity pricing, and higher interest rates. Florida Housing has a significant amount of NHTF funding available to utilize. The additional funding will allow the development team to close the financing gap and provide the much-needed affordable housing in the community. The amount of NHTF funding needed includes eight (8) Garden apartments at \$275,000 each, totaling \$2,200,000. These eight (8) units which are currently committed to serving 60% AMI will be deemed NHTF units committed to serving 22% AMI and will be designated as NHTF Link units for Persons with Special Needs. The RFA under which the proposed development was awarded funding did not have the option to apply for NHTF funding, therefore a RFA Waiver is required.

## MULTIFAMILY PROGRAMS

### *Consent*

- f) Additionally, the Applicant requested to a change to the general contractor from Vaughn Bay Construction in the final CUR to Mad Dog Design & Construction Company, Inc. dba Mad Dog Construction (“Mad Dog”). On February 23, 2022, staff received a Credit Underwriting Update Letter with a positive recommendation for the general contractor change ([Exhibit G](#)). Staff has reviewed this letter and finds that it meets all requirements of the RFA.

### **2. Recommendation**

- a) Approve the RFA Waiver request to add NHTF funding as described above and change in the general contractor as described above.

## MULTIFAMILY PROGRAMS

### *Consent*

#### **F. Request Approval of Transfer of Ownership Interests and Assumption of Loan Documents for Twenty-Five Southport Financial Services, Inc. Developments to Standard Property Company, Inc.**

##### **1. Background**

- a) Southport Financial Services, Inc. (Southport), and various related entities, received funding from Florida Housing Finance Corporation (FHFC) for the development and/or rehabilitation of twenty-five affordable housing properties from 1999 to 2019. Funding sources from FHFC included Multifamily Mortgage Revenue Bonds (MMRB), State Apartment Incentive Loan (SAIL), SAIL Extremely Low Income (ELI), HOME Investment Partnerships (HOME), Tax Credit Exchange Program (TCEP), and 4% and 9% Housing Credits (HC). The information for each development is shown herein on Schedule A ([Exhibit H](#)).
- b) FHFC originally financed thirteen of the developments with tax-exempt MMRB, SAIL, and ELI funding and an allocation of 4% HC.
- c) One of the developments was financed with SAIL and an allocation of 4% HC.
- d) Two of the developments were financed with MMRB and an allocation of 4% HC.
- e) One development was financed with MMRB, HOME and an allocation of 4% HC.
- f) One development was financed with the TCEP and an allocation of 9% HC.
- g) There are seven properties in which FHFC issued an allocation of 9% HC for each development but FHFC is not a lender.
- h) Subsequently, some of the MMRB have been redeemed and some of the SAIL loans have paid off.

##### **2. Present Situation**

- a) On November 18, 2021, staff received a request from Southport requesting FHFC's approval for the transfer of ownership interests of 25 developments to Standard Property Company, Inc., an affiliate of Standard Equity Holdings LP, and/or its affiliates ("Buyer"). All outstanding FHFC issued debt will be assumed at closing; except for Crossroads Apartments, in which the MMRB will be redeemed, and the HOME loan will be repaid. Seltzer Management Group, Inc. has reviewed this request and provided a positive recommendation for the transfer of ownership and the assignment and assumption of the MMRB, SAIL, ELI and TCEP loan documents and the HC Extended Low-Income Housing Agreements (ELIHAs) for 24 Developments, along with the subordination of the MMRB and HOME Land Use Restriction Agreements (LURAs) and ELIHA for Crossroads Apartments to the new first mortgage ([Exhibit I](#)).



## MULTIFAMILY PROGRAMS

### *Consent*

#### 3. **Recommendation**

- a) Approve the transfer of ownership interests and the assignment and assumption of the MMRB, SAIL, ELI and TCEP loan documents and ELIHAs and the subordination of the LURAs and ELIHA to the new first mortgage, as applicable; all subject to the conditions outlined in the credit underwriting report with further approvals and verifications by the Credit Underwriter, Bond counsel, Special Counsel and appropriate FHFC staff; and direct staff to proceed with loan document modification activities as needed.

**PREDEVELOPMENT LOAN PROGRAM (PLP)**

*Consent*

**I. PREDEVELOPMENT LOAN PROGRAM (PLP)**

- A. Request Approval of Revised PLP Loan for Neighborhood Housing Services of South Florida Real Estate Holdings, Inc., a not-for-profit entity, for Pompano Beach Duplex (2021-001P-09)**

<b>DEVELOPMENT NAME (“Development”):</b>	<b>Pompano Beach Duplex</b>
<b>APPLICANT/DEVELOPER (“Developer”):</b>	<b>Neighborhood Housing Services of South Florida (HSSF) Real Estate Holdings, Inc.</b>
<b>CO-DEVELOPER:</b>	<b>N/A</b>
<b>NUMBER OF UNITS:</b>	<b>2 Rental units</b>
<b>LOCATION (“County”):</b>	<b>Broward</b>
<b>TYPE:</b>	<b>Family</b>
<b>MINIMUM SET ASIDE:</b>	<b>20% @50% AMI</b>
<b>PLP LOAN AMOUNT:</b>	<b>\$154,000</b>
<b>ADDITIONAL COMMENTS: This is a revised loan request. Original application was for homeownership. The revised request is for the development of the same structure for rental units.</b>	

**1. Background**

- a) To access PLP funding and upon receipt of an organization’s basic information to Florida Housing, the organization is invited to participate in the program. Florida Housing staff then assigns a technical assistance provider from a pool of providers under contract with Florida Housing to assist the applicant to create a development plan and budget, which is brought to the Board as part of a request for approval of a PLP loan.
- b) On April 30, 2021, the Board approved a PLP loan in the amount of \$181,700.

**2. Present Situation**

- a) On February 16, 2022, staff received a revised development plan and a letter ([Exhibit A](#)) from our technical assistance provider (TAP) recommending approval of the revised PLP Loan in the reduced amount of \$154,000.
- b) Staff has reviewed the Development Plan and determined that all budget items are PLP eligible.

**3. Recommendation**

- a) Approve the revised PLP Loan in the amount of \$154,000 to Neighborhood Housing Services of South Florida (HSSF) Real Estate Holdings, Inc. for Pompano Beach Duplex and allow staff to commence with the loan closing process.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Consent

I. STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

A. Request Approval for Firm Loan Commitment Issuance Deadline Extension for Casa Dolores Huerta (RFA 2021-104 / 2021-289S)

<b>Development Name: Casa Dolores Huerta</b>	<b>Location: Miami-Dade County</b>
<b>Applicant/Borrower: Casa Dolores Huerta, LLC</b>	<b>Set-Asides:</b> 10% @ 25% AMI (SAIL) 10% @ 50% AMI (SAIL) 80% @ 60% AMI (SAIL)
<b>Developer/Principal: Rural Neighborhoods, Inc. / Steven C. Kirk</b>	<b>Demographic/Number of Units:</b> Unaccompanied Farmworker/20 units
<b>Requested Amounts:</b> \$4,300,000 State Apartment Incentive Loan (SAIL)	<b>Development Category/Type:</b> New Construction/Garden Apartments

1. Background/Present Situation

- a) On December 14, 2020, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2021-104 for SAIL Funding for Farmworker and Commercial Fishing Worker Housing.
- b) On March 12, 2021, the Board approved the final scores and recommendations for the RFA and directed staff to proceed with all necessary credit underwriting activities.
- c) On March 19, 2021, staff issued an invitation to enter credit underwriting to the Applicant, which states that the firm loan commitment must be issued within 12 months of the acceptance to enter credit underwriting. The acceptance was acknowledged on March 29, 2021, giving them a firm loan commitment issuance deadline of March 29, 2022. Per the RFA, Applicants may request one (1) extension of up to 6 months to secure a firm loan commitment.
- d) On January 26, 2022, staff received a request from the Applicant to extend the firm loan issuance commitment deadline from March 29, 2022 to September 29, 2022 ([Exhibit A](#)). Recently, the development team's bank sponsor, Bank United N.A., finalized an award of \$500,000 in Federal Home Loan Bank Affordable Housing Program Funds on December 20, 2021. These subsidies have a single, annual application round that commences mid-year and conclude in the 4<sup>th</sup> quarter of the calendar year. These funds were critical for leveraging FHFC resources since this is a small specialized demographic development. An underwriting extension is necessary due to the delay in acquiring these funds. Staff has reviewed this request and finds that it meets all requirements of the RFA.

**STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)**

*Consent*

**2. Recommendation**

- a) Approve the request for a firm loan commitment issuance deadline extension from March 29, 2022 to September 29, 2022, subject to payment of the required non-refundable extension fee of one percent of the loan amount, pursuant to the requirements of the RFA.

**STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)**

*Consent*

**B. Request Approval of Additional Construction Debt for Ashley Square (RFA 2018-116 / 2019-167SN)**

<b>Development Name: Ashley Square</b>	<b>Location: Duval County</b>
<b>Applicant/Borrower: Ashley Square Jacksonville, Ltd.</b>	<b>Set-Aside(s):</b> 5% @ 22% AMI (NHTF) 10% @ 33% AMI (SAIL & ELI) 90% @ 60% AMI (SAIL) 100% @ 60% AMI (4% HC)
<b>Developer/Principal: Blue AS Developer, LLC / Shawn Wilson &amp; CFJ Ashley Developer, LLC/ Teresa K. Barton</b>	<b>Demographic/Number of Units:</b> Elderly/120 units
<b>Requested Amounts:</b> \$6,500,000 State Apartment Incentive Loan (SAIL) \$600,000 Extremely Low Income (ELI) \$1,426,800 National Housing Trust Fund (NHTF) \$1,356,324 Housing Credits (4% HC)	<b>Development Category/Type:</b> New Construction/Mid-Rise

**1. Background/Present Situation**

- a) On October 19, 2018, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2018-116 for SAIL Financing of Affordable Multifamily Housing Developments to be used in Conjunction with Tax-Exempt Bond Financing and Non-Competitive Housing Credits.
- b) On March 22, 2019, the Board approved the final scores and recommendations for the RFA, and directed staff to proceed with all necessary credit underwriting activities. On May 10, 2019, the Board approved the Final Order resolving all pending litigation pertaining to the RFA, allowing staff to proceed with all necessary credit underwriting activities. Staff issued an invitation to enter credit underwriting to the Applicant on May 13, 2019, which states that the firm loan commitment must be issued within 12 months of the acceptance to enter credit underwriting. The acceptance was acknowledged on May 14, 2019, giving them a firm loan commitment issuance deadline of May 14, 2020. On April 17, 2020, the Board approved extending the firm loan commitment issuance deadline from May 14, 2020 to November 16, 2020.
- c) On September 4, 2020, the Board approved the final credit underwriting report with a positive recommendation for SAIL, ELI and NHTF funding and directed staff to proceed with the closing activities. The Development closed on November 23, 2020. On December 4, 2020, the Board approved a Developer Structure Change and Replacement of Guarantor. CFJ Ashley Developer, LLC was added as a Special Purpose Entity and also replaced Cathedral Foundation of Jacksonville, Inc. as a guarantor.
- d) On January 21, 2022, the Board approved a Rule Waiver to allow the General Contractor to perform some work normally performed by subcontractors.

## STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

### *Consent*

- e) On January 12, 2022, the Borrower requested increasing the MMRN issuance from \$15,000,000 to \$16,670,000 during construction for the Development. On February 23, 2022, staff received an updated credit underwriting letter with a positive recommendation for approval of the proposed change ([Exhibit B](#)). Staff has reviewed this request and finds that it meets all requirements of the RFA.

### 2. **Recommendation**

- a) Approve the request for Additional Debt during the Construction period as described above.

**SPECIAL ASSETS**

*Consent*

**I. SPECIAL ASSETS**

**A. Request Approval to Transfer of Ownership, Refinance First Mortgage and Renegotiate the SAIL Loan for Grand Pines Ltd., for Grand Pines Apartments (2001-050CS/2002-002C)**

<b>Development Name: Grand Pines Apartments (“Development”)</b>	<b>Location: Putnam County</b>
<b>Developer/Principal: Campbell Housing Enterprises, Inc. (“Owner”) Grand Pines, Ltd. (“Borrower”)</b>	<b>Set-Aside: SAIL/HC 15.38% @ 40%, 84.62% @ 60%; LURA &amp; EUA: 50 years</b>
<b>Number of Units: 78</b>	<b>Allocated Amount: SAIL \$810,000; HC \$485,000</b>
<b>Demographics: Elderly</b>	<b>Servicer: First Housing Development Corporation</b>

**1. Background**

- a) During the 2001 funding cycle, Florida Housing Finance Corporation (“Florida Housing”) awarded a State Apartment Incentive Loan (“SAIL”) in the amount of \$810,000 to Grand Pines, Ltd., a Florida limited partnership (“Borrower”), for the development of a 78-unit apartment complex in Putnam County, Florida. The loan matures on December 1, 2033. The Development also received a 2001 allocation of low-income housing tax credits (“HC”) of \$485,000.

**2. Present Situation**

- a) The Borrower requests consent from the Board to transfer ownership, refinance the first mortgage, assumption and subordination of the SAIL loan documents, the SAIL Land Use Restriction Agreement (“LURA”), and the Extended Low Income Housing Tax Credit Agreement (“ELIHA”) to the new first mortgage. The SAIL loan term will be modified to be five years from this closing.
- b) The Borrower further requests that the SAIL loan interest rate be renegotiated from a 9% interest rate to a 3% interest rate in accordance with section 420.5087, FS and as stated in Rule 67-48. The Borrower will pay all accrued and outstanding 3% interest on the current SAIL note, as required, for the loan to be renegotiated.
- c) Staff received a credit underwriting report ([Exhibit A](#)) from First Housing Development Corporation with a positive recommendation for the transfer of ownership, the refinancing of the first mortgage, subordination and assumption of the SAIL loan documents, SAIL LURA, and EUA to the new first mortgage and renegotiation of the SAIL loan terms.

## SPECIAL ASSETS

### *Consent*

#### 3. **Recommendation**

- a) Approve the transfer of ownership, the refinancing of the first mortgage, subordination and assumption of the SAIL loan documents, SAIL LURA, and EUA to the new first mortgage and renegotiation of the SAIL loan terms, subject to the conditions outlined in the credit underwriter's report, further approvals and verifications by the credit underwriter, counsel, and appropriate Florida Housing staff, and direct staff to proceed with loan document modification activities, as needed.



**SPECIAL ASSETS**

*Consent*

**B. Request Approval to Transfer of Ownership, Refinance First Mortgage and Renegotiate the SAIL Loan for Kay Larkin Ltd., for Kay Larkin Apartments (1998-065CS)**

<b>Development Name: Kay Larkin Apartments (“Development”)</b>	<b>Location: Putnam County</b>
<b>Developer/Principal: Campbell Housing Enterprises, Inc. (“Owner”) Kay Larkin, Ltd. (“Borrower”)</b>	<b>Set-Aside: SAIL 50% @ 50%, 50% @ 60%; HC 15% @ 35%, 35% @ 50%; 50% @ 60%; LURA &amp; EUA: 50 years</b>
<b>Number of Units: 60</b>	<b>Allocated Amount: SAIL \$1,175,000; HC \$361,550</b>
<b>Demographics: Family</b>	<b>Servicer: Seltzer Management Group, Inc.</b>

**1. Background**

- a) During the 1998 funding cycle, Florida Housing Finance Corporation (“Florida Housing”) awarded a State Apartment Incentive Loan (“SAIL”) in the amount of \$1,175,000 to Kay Larkin, Ltd., a Florida limited partnership (“Borrower”), for the development of a 60-unit apartment complex in Putnam County, Florida. The loan matures on July 1, 2031. The Development also received a 1998 allocation of low-income housing tax credits (“HC”) of \$361,550.

**2. Present Situation**

- a) The Borrower requests consent from the Board to transfer ownership, refinance the first mortgage, assumption and subordination of the SAIL loan documents, the SAIL Land Use Restriction Agreement (“LURA”), and the Extended Low Income Housing Tax Credit Agreement (“ELIHA”) to the new first mortgage. The SAIL loan term will be modified to be five years from this closing.
- b) The Borrower further requests that the SAIL loan interest rate be renegotiated from a 9% interest rate to a 3% interest rate in accordance with section 420.5087, FS and as stated in Rule 67-48. The Borrower will pay all accrued and outstanding 3% interest on the current SAIL note, as required, for the loan to be renegotiated.
- c) Staff received a credit underwriting report ([Exhibit B](#)) from First Housing Development Corporation with a positive recommendation for the transfer of ownership, the refinancing of the first mortgage, subordination and assumption of the SAIL loan documents, SAIL LURA, and EUA to the new first mortgage and renegotiation of the SAIL loan terms.

## SPECIAL ASSETS

### *Consent*

#### 3. **Recommendation**

- a) Approve the transfer of ownership, the refinancing of the first mortgage, subordination and assumption of the SAIL loan documents, SAIL LURA, and EUA to the new first mortgage and renegotiation of the SAIL loan terms subject to the conditions outlined in the credit underwriter's report, further approvals and verifications by the credit underwriter, counsel, and appropriate Florida Housing staff, and direct staff to proceed with loan document modification activities, as needed.

**SPECIAL ASSETS**

*Consent*

**C. Request Approval of Partial Release of Land for Promise in Brevard (2015-002CSG, RFA 2014-113/2015-002CSGB)**

<b>Development Name: Promise in Brevard (“Development”)</b>	<b>Location: Brevard County</b>
<b>Developer/Principal: Royal American Development Inc., Promise in Brevard, LLC (Developer); Promise in Brevard, LLC (“Owner”)</b>	<b>Set-Aside: SAIL 1%@4NR, 25%@35%, 75%@60%; HC 34%@35%, 62%@60% AMI; LURA 50 years; EUA: 50 years</b>
<b>Number of Units: 52</b>	<b>Allocated Amount: SAIL \$2,000,000 / Grant \$2,000,000; HC \$1,300,000</b>
<b>Demographics: Special Needs</b>	<b>Servicer: Seltzer management Group, Inc.</b>

**1. Background**

- a) In 2015, Florida Housing Finance Corporation (“Florida Housing”) awarded a SAIL Loan of \$2,000,000 to Promise in Brevard, LLC (“Owner”), for the construction of a 52-unit development in Brevard County. The SAIL loan matures March 31, 2046. The development also received a grant in the amount of \$2,000,000 with a maturity date of March 31, 2066 and an allocation of low-income housing tax credits (“HC”) of \$1,300,000.

**2. Present Situation**

- a) The Owner requests approval of the Board to release approximately .56 acres currently used as part of the entryway into the Development to be used for a new adjacent development.
- b) Staff received a credit underwriting report ([Exhibit C](#)) from Seltzer Management Group with a positive recommendation for the partial release of land, and the modification of the legal description in all affected documents.

**3. Recommendation**

- a) Approve the partial release of land, and the modification of the legal description in the affected documents, subject to the conditions provided in the credit underwriter’s report, further approvals and verifications by the credit underwriter, counsel, and appropriate Florida Housing staff, and direct staff to proceed with loan document modification activities, as needed.

**SPECIAL ASSETS**

*Consent*

**D. Request Approval of the Transfer of General Partner Interest and Release and Replacement of Guarantors, and Assumption of SAIL Loan for Christine Cove Apartments, Ltd., a Florida Limited Partnership, for Christine Cove Apartments (2005-043BS/2007-503C)**

<b>Development Name: Christine Cove Apartments (“Development”)</b>	<b>Location: Duval County</b>
<b>Developer/Principal: Carlisle (“Developer”)/ Christine Cove Apartments, Ltd. (“Borrower”)</b>	<b>Set-Aside: SAIL &amp; HC 100%@60% AMI LURA 50 years; EUA 50 years</b>
<b>Number of Units: 96</b>	<b>Allocated Amount: SAIL \$4,000,000; HC \$3,669,680</b>
<b>Demographics: Elderly</b>	<b>Servicer: AmeriNat, LLC</b>

**1. Background**

- a) During the 2005 funding cycle, Florida Housing Finance Corporation (“Florida Housing”) awarded a State Apartment Incentive Loan (“SAIL”) in the amount of \$4,000,000 to Christine Cove Apartments, Ltd. (“Borrower”), a Florida limited partnership, for the development of a 96-unit property in Duval County, Florida. The SAIL loan matures on September 15, 2038. The Development also received a 2007 allocation of low-income housing tax credits (“HC”) of \$3,669,680.

**2. Present Situation**

- a) The Borrower requests consent from the Board to transfer the general partner interest of the Development from Christine Cove GP, LLC to HPT Christine Cove, LLC (“HPT”), and the assumption of the SAIL loan.
- b) The Borrower also requests the inclusion of HPT as an additional guarantor. The current guarantors will be released except for the Borrower.
- c) Staff received a credit underwriting report ([Exhibit D](#)) from AmeriNat with a positive recommendation for approval of the transfer of the general partner interest, assumption of SAIL loan, and the release and addition of guarantors.

**3. Recommendation**

- a) Approve the transfer of general partner interest, assumption of the SAIL loan, and the release and addition of guarantors subject to the conditions provided in the credit underwriter’s report, further approvals and verifications by the credit underwriter, counsel, and appropriate Florida Housing staff, and direct staff to proceed with loan document modification activities, as needed.

**SPECIAL ASSETS**

*Consent*

**E. Request Approval for Transfer of Ownership Interest, Refinance the New First Mortgage with Subordination and Assumption of the MMRB LURA and SAIL ELI for Sundance Pointe Associates, Ltd., and Sundance Pointe Apartments (2000N1&2/RFP 2010-16-08R/2012-04-12R)**

<b>Development Name: Sundance Pointe Apartments (“Development”)</b>	<b>Location: Duval County</b>
<b>Developer/Principal: Peak Capital Partners (“Developer”)/ PC Sundance Pointe I, LLC and PC Sundance Pointe II, LLC (“Borrower”)</b>	<b>Set-Aside: MMRB 50%@60%; ELI 29%@30% AMI MMRB LURA: through 2027; ELI: 15/15 years;</b>
<b>Number of Units: 288</b>	<b>Allocated Amount: MMRB \$16,285,000; ELI \$4,200,000, \$2,100,000;</b>
<b>Demographics: Family</b>	<b>Servicer: Seltzer Management Group</b>

**1. Background**

- a) During the 2000 funding cycle, Florida Housing Finance Corporation (“FHFC”) awarded a first mortgage of FHFC issued tax-exempt bonds in the original amount of \$10,010,000 and taxable bonds in the original amount of \$6,275,000 to Sundance Pointe Associates, Ltd., a Florida limited partnership (“Original Borrower”), for the development of a 288-unit apartment complex in Duval County, Florida. The Multifamily Revenue Bonds (“MMRB”) loan closed on December 12, 2000. The Development received a 2000 allocation of low-income housing tax credits (“HC”) of \$676,819.
- b) The Development also received a second mortgage under the Subordinate Mortgage Initiative (“SMI”) in the original amount of \$859,713.55 which closed on July 22, 2009. Additional funds were provided to the Development through a SAIL ELI loan in the amount of \$4,200,000 that closed on March 28, 2011 and matures on March 28, 2026. A second SAIL ELI loan was awarded in the amount of \$2,100,000 that closed on June 19, 2013 and matures on June 19, 2028.
- c) The MMRB loan was paid off in October 2015, along with the SMI loan as well as termination of the then-existing Guarantee Program credit enhancement. The development was sold to an affiliate of Peak Capital Partners at that time. An Extended Low-Income Housing Agreement on the development was terminated January 25, 2018 when the one-year qualified contract period expired. In June 2018, a Restructure loan was provided in the amount of \$1,000,000 for capital improvements to the development, and subordination of the SAIL ELI loans.

**2. Present Situation**

- a) The Borrower requests consent from the Board for transfer of ownership interest, refinance the first mortgage loan with subordination and assumption of the MMRB LURA and SAIL ELI loan documents.
- b) Staff has received a credit underwriting report ([Exhibit E](#)) from Seltzer Management Group with a positive recommendation for approval of the transfer of ownership interest, refinancing of the first mortgage and subordination and assumption of the SAIL ELI loans to the new first mortgage.

## SPECIAL ASSETS

### *Consent*

#### 3. **Recommendation**

- a) Approve the transfer of ownership interest, refinancing of the first mortgage with subordination and assumption of the MMRB LURA and SAIL ELI loan documents subject to the conditions provided in the credit underwriter's report, further approvals and verifications by the credit underwriter, counsel, and appropriate Florida Housing staff, and direct staff to proceed with loan document modification activities, as needed.

**SPECIAL ASSETS**

*Consent*

**F. Request Approval of the Transfer of Ownership and Assumption of the SAIL loan for Southpoint Crossings Apartments (93-HRR-006/94L-125)**

<b>Development Name: Southpoint Crossings (“Development”)</b>	<b>Location: Miami-Dade County</b>
<b>Developer/Principal: National Housing Trust (“NHT”)</b>	<b>Set-Aside: 20% @ 40% &amp; 80% @ 60% AMI; LURA 50 years; EUA 50 years</b>
<b>Number of Units: 123</b>	<b>Allocated Amounts: SAIL \$3,850,025 HC \$720,000</b>
<b>Demographics: Family</b>	<b>Servicer: Seltzer Management Group</b>

**1. Background**

- a) During the 1993 HRR SAIL Cycle, Florida Housing awarded a \$ 3,850,025 SAIL loan to Florida City Apartments, Ltd.; a Florida limited partnership ("Borrower") (aka Southpoint Crossings), a Greater Miami Neighborhoods (GMN) development, for a 123-unit development in Miami-Dade County. The SAIL loan closed on July 5, 1994. The Development also received a 1994 allocation of Low-Income Housing Tax Credits of \$720,000. At the February 2010 Board meeting the Board approved a transfer of ownership and renegotiation of the SAIL loan terms.

**2. Present Situation**

- a) Staff received a request for transfer of ownership and assumption of the SAIL loan from NHT to Preservation of Affordable Housing Inc. (“POAH”). The transfer would be financed with a bridge loan subordinate to the SAIL loan. POAH plans to come back to the Board later to request approval for permanent first mortgage refinancing.
- b) Staff received a credit underwriting report ([Exhibit F](#)) from Seltzer with a positive recommendation for the transfer of ownership and assumption of the SAIL loan documents and EUA.

**3. Recommendation**

- a) Approve the transfer of ownership and assumption of the SAIL loan documents, SAIL LURA, and EUA, subject to the conditions outlined in the credit underwriter’s report, further approvals and verifications by the credit underwriter, counsel, and appropriate Florida Housing staff, and direct staff to proceed with loan document modification activities, as needed.